
TRUST INDENTURE

Between

SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION
(the "Issuer")

and

U.S. BANK NATIONAL ASSOCIATION
(the "Trustee")

Relating to the Issuance of

\$8,000,000

San Gabriel Industrial Development Corporation
Variable Rate Demand Revenue Bonds,
Series 2009
(AirBorn, Inc. Project)

Dated as of June 1, 2009

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TRUST INDENTURE

This Trust Indenture is made and entered into as of June 1, 2009, and agreed to be effective as of June 30, 2009, by and between San Gabriel Industrial Development Corporation (the "Issuer"), and U.S. Bank National Association (the "Trustee").

DEFINITIONS

Except as provided herein, all capitalized terms shall have the meanings ascribed to them in the Agreement (defined below). The following words as used herein and in the premises shall have the following meanings unless the context or use clearly indicates another or different meaning or intent:

"Act" means The Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Annotated Texas Civil Statutes, as amended.

"Act of Bankruptcy" means (i) that the Obligor shall (a) have an order for relief entered with respect to it under the United States Bankruptcy Code, (b) fail to pay or admit in writing its inability to pay, its debts generally as they become due, (c) make an assignment for the benefit of creditors, (d) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its property, (e) institute any proceeding seeking an order for relief under the United States Bankruptcy Code or seeking to adjudicate itself, a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (f) take any action to authorize or effect any of the foregoing actions set forth in clauses (a) through (e) above, or (g) fail to contest in good faith any appointment or proceeding described in clause (ii) below; or (ii) without the application, approval or consent of the Obligor, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Obligor or any substantial part of its property, or a proceeding described in clause (i)(e) above shall be instituted against the Obligor and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

"Additional Bonds" has the meaning ascribed to it in the Agreement.

"Agreement" means the Loan Agreement between the Issuer and the Obligor dated as of the Execution Date relating to the Bonds, as the same may be amended in accordance with its terms and this Indenture.

"Authorized Denominations" means a minimum of \$100,000 or integral multiples of \$5,000 in excess thereof.

"Authorized Obligor Representative" means any person(s) designated from time to time to act on behalf of the Obligor by a written certificate furnished to the Trustee containing the specimen signature(s) of such person(s) and executed by an authorized official of the Obligor.

"Available Moneys" means (a) with respect to any payment of principal or Purchase Price of or premium, if any, or interest on the Bonds during the term of the Credit Facility (i) proceeds of a drawing on the Credit Facility continuously on deposit with the Trustee in trust for the benefit of the owners of the Bonds from the day of the drawing on the Credit Facility, (ii) proceeds from the sale of the Bonds to the original purchasers on the Effective Date representing accrued interest, if any, and continuously on deposit with the Trustee in the General Account of the Bond Fund from the date of such sale, (iii) other moneys continuously on deposit with the Trustee in trust for the benefit of the owners of the Bonds for a period of at least 123 days during and prior to which period no Act of Bankruptcy shall have occurred as evidenced by the delivery of a No Act of Bankruptcy Certificate, (iv) proceeds of bonds or other obligations issued by the Issuer to refund the Bonds that have been continuously on deposit with the Trustee in trust for the period and subject to the conditions provided in clause (iii) above, or with respect to which proceeds the Trustee has received an unqualified written opinion of nationally recognized counsel with expertise in bankruptcy matters to the effect that payment would not constitute a voidable preference under Section 547 or Section 544 of the United States Bankruptcy Code in the event of a filing of a petition thereunder by or against the Issuer or the Obligor, and (v) proceeds from the investment or reinvestment of moneys described in clauses (i) through (iv) above; and (b) with respect to any payment on the Bonds that does not occur during the term of such Credit Facility, any moneys furnished to the Trustee and the proceeds of the investment and reinvestment thereof.

"Bank" means Comerica Bank, a Texas banking association, and any successor thereto, or from time to time, any Substitute Bank, as the case may be.

"Bank's Address" means Comerica Bank, 8828 Stemmons Freeway, Suite 441, Dallas, Texas 75247, or the address of a Substitute Bank, as the case may be.

"Bond" or **"Bonds"** means the \$8,000,000 aggregate principal amount of the Issuer's Variable Rate Demand Revenue Bonds, Series 2009 (AirBorn, Inc. Project).

"Bond Counsel" means any nationally recognized bond counsel reasonably acceptable to the Obligor, the Trustee and the Issuer.

"Bond Forms Appendix" means the Appendix to this Indenture comprised of the Form of Variable Rate Bond and the Form of Fixed Rate Bond.

"Bond Fund" means the fund established pursuant to Section 602 hereof and which shall be entitled San Gabriel Industrial Development Corporation Bond Fund, 2009 AirBorn, Inc. Project.

"Bondholder" or **"holder"** means, when used with reference to the Bonds, the registered owner of any Bond.

"Bond Payment Date" means (i) when used with reference to any Variable Rate Bond, each Interest Payment Date and the maturity date of such Bond and (ii) when used with reference to any Fixed Rate Bond, each June 1 and December 1 until the maturity date of such Bond.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the city in which the corporate trust office of the Trustee (or its bond registrar, paying agent or tender agent offices) designated for payment of the principal, interest and Purchase Price of the Bonds is located or the principal office of the Remarketing Agent is located or the office of the Bank at which action is to be taken to realize moneys under the Credit Facility are required or authorized by law or executive order to be closed, (iv) a day on which the New York Stock Exchange is closed, or (v) a day on which interbank wire transfers cannot be made on the Fedwire System.

"Code" means the Internal Revenue Code of 1986, as amended.

"Completion Certificate" means the Certificate provided for in Section 4.3 of the Agreement, in the form attached to the Agreement as Exhibit C.

"Conversion Date" means a Daily Rate Conversion Date, a Weekly Rate Conversion Date or the Fixed Rate Conversion Date, as appropriate.

"Counsel" means an attorney-at-law (who may be counsel to the Trustee or the Obligor).

"County" means Williamson County, Texas.

"Credit Facility" means the irrevocable letter of credit issued to the Trustee by the Bank for the account of the Obligor, together with any amendments thereto, any Substitute Credit Facility delivered to the Trustee in accordance with the requirements of Section 210 hereof, and any amendment or supplement to the Credit Facility or Substitute Credit Facility delivered to the Trustee pursuant to Article XI hereof.

"Daily Rate" means the interest rate per annum on the Bonds established in accordance with Section 110B hereof.

"Daily Rate Bonds" means all Bonds which bear interest at the Daily Rate.

"Daily Rate Conversion Date" means the Weekly Rate Interest Payment Date on which the Bonds begin to bear interest at a Daily Rate in accordance with the terms hereof.

"Daily Rate Interest Payment Date" means (a) the first Business Day of each month, commencing with the first Business Day of the month next succeeding a Daily Rate Conversion Date, and (b) the Maturity Date.

"Demand Purchase Option" means the option granted to Holders to require that Variable Rate Bonds be purchased pursuant to Section 201 hereof.

"Department" means the State's Office of the Governor Economic Development and Tourism Division and any successor to its functions and duties.

"Determination of Taxability" has the meaning ascribed to it in the Bond Forms Appendix attached hereto and made a part hereof.

"Effective Date" means the date of delivery of the Bonds to the original purchasers thereof and the receipt by the Trustee of the purchase price therefor, at which time this Indenture becomes effective and from which date interest shall begin to accrue on the Bonds.

"Event of Default" means those events of default specified and defined in Section 801.

"Execution Date" means the date as of which, among other documents, the Agreement and this Indenture shall be deemed executed for reference purpose, i.e., June 1, 2009.

"Fitch" means Fitch Ratings, its successors and assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee at the direction of the Obligor (provided that the Bank consents to such designation), by written notice to the Issuer and the Remarketing Agent.

"Fixed Rate" means the rate or rates of interest to be applicable to the Bonds from and after the Conversion Date determined in accordance with Section 113 hereof.

"Fixed Rate Bonds" means all Bonds which have been designated Fixed Rate Bonds pursuant to Article I hereof from and after the Conversion Date.

"Fixed Rate Conversion Date" means the Daily Rate Interest Payment Date or the Weekly Rate Interest Payment Date on which the Bonds begin to bear interest at the Fixed Rate in accordance with the terms hereof.

"Fixed Rate Interest Payment Date" means each June 1 and December 1 commencing with the June 1 or December 1 next succeeding the Fixed Rate Conversion Date, and the Maturity Date.

"Fixed Rate Principal Payment Date" means, following the Fixed Rate Conversion Date, each April 1 serial maturity date or mandatory sinking fund redemption date on which principal of the Bonds will be paid, as provided in Section 113(a) hereof.

"General Account" means the trust account designated as the "General Account" in the Bond Fund pursuant to Section 602 hereof.

"Governing Body" means the Board of the Issuer.

"Government Obligations" means noncallable direct general obligations of the United States of America or obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America.

"Holder" means the registered owner of any Bond.

"Immediate Notice" means notice by telex or telecopier to such address as the addressee shall have directed in writing, or by telephone promptly followed by written notice sent by telex, telecopier, mail or hand delivery to such address. Notices required by the Credit Facility shall be governed by the terms of the Credit Facility.

"Indenture" means this Trust Indenture, as the same may be amended or supplemented in accordance with its terms.

"Interest Determination Date" means (a) with respect to Daily Rate Bonds, each Business Day, and (b) with respect to Weekly Rate Bonds, Wednesday of each week (or the next preceding Business Day if Wednesday is not a Business Day).

"Interest Payment Date" means a Daily Rate Interest Payment Date, a Weekly Rate Interest Payment Date or a Fixed Rate Interest Payment Date, as applicable.

"Interest Period" means (i) when used with reference to any Daily Rate Bond, the period from and including each day which is a Business Day to but excluding the next succeeding day which is a Business Day, (ii) when used with reference to any Weekly Rate Bond, the period from and including Thursday of each week through and including the following Wednesday, whether or not such days are Business Days, and (iii) when used with reference to any Fixed Rate Bond, the period from and including the Fixed Rate Conversion Date to, but excluding, the immediately succeeding Fixed Rate Interest Payment Date, and thereafter the period from and including a Fixed Rate Interest Payment Date to, but excluding, the immediately succeeding Fixed Rate Interest Payment Date.

"Investment Company" means an open-end diversified management investment company registered under the Investment Company Act of 1940, as amended.

"Investment Income" means the earnings and profits derived from the moneys in the Project Fund and the Bond Fund pursuant to Section 701 hereof.

"Issuer" means the San Gabriel Industrial Development Corporation or any public body corporate and politic succeeding to its rights and obligations under this Indenture.

"Issuer's Address" means San Gabriel Industrial Development Corporation, Williamson County Courthouse, 710 Main Street, Suite 101, Georgetown, Texas 78626.

"Issuer's Agents" means any director, member, officer, employee or agent of the Issuer.

"Loan" means the Loan made pursuant to Section 3.1 of the Agreement.

"Loan Repayments" means the principal and interest amounts specified in Section 3.2 of the Agreement and payable by the Obligor in repayment of the Loan.

"Maturity Date" means June 1, 2029, maturity date of the Bonds.

"Maximum Rate" means (i) with respect to Variable Rate Bonds, the lesser of 12% per annum or the maximum rate permitted by law and (ii) with respect to Fixed Rate Bonds, the lesser of the Fixed Rate or Fixed Rates or the maximum rate permitted by law.

"Moody's" means Moody's Investors Service, Inc. its successors and assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee at the direction of the Obligor (provided that the Bank consents to such designation), by written notice to the Issuer and the Remarketing Agent.

"No Act of Bankruptcy Certificate" means the certificate in substantially the form of Exhibit D to the Agreement signed by the Obligor.

"Obligor" means, AirBorn, Inc., a Texas corporation, and its successors and assigns.

"Obligor's Address" means 4321 AirBorn Drive, Addison, Texas 75001.

"Outstanding" or **"Bonds outstanding"** means the Bonds which have been authenticated and delivered under the Indenture, except:

- (i) Bonds canceled by the Trustee or delivered to the Trustee for cancellation;
- (ii) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article I hereof;
- (iii) Bonds for the payment or redemption of which Available Moneys shall have been deposited with the Trustee; provided, however, that if such Bonds are to be

redeemed prior to maturity thereof, notice of such redemption shall have been given in accordance with the provisions hereof when such Available Moneys are available or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(iv) Undelivered Bonds;

provided, however, that for the purpose of determining whether there has been notice to or action by the holders of the requisite principal amount of Bonds, Bonds owned by the Obligor other than Pledged Bonds shall be disregarded and not deemed to be outstanding.

"Permissible Securities" has the meaning ascribed to it in Section 304 hereof.

"Permitted Investments" means:

(i) Obligations of the United States, its agencies, or United States government sponsored enterprises.

(ii) Obligations, the principal of and interest of which are guaranteed by the United States or any one of its agencies.

(iii) Obligations of a state, a territory, or a possession of the United States, or any political subdivision of any of the foregoing or of the District of Columbia as described in Section 103(a) of the Code if these investments are graded in the highest 3 major grades as determined by at least one national rating service or are secured, as to payments of principal and interest, by a letter of credit provided by a financial institution or insurance provided by a bond insurance company which itself or its debt is rated in the highest 3 major grades as determined by at least one national rating service.

(iv) Banker's acceptances, commercial accounts, certificates of deposit, or depository receipts issued by a bank, trust company, savings and loan association, savings bank, a credit union or other financial institution whose deposits are, as appropriate, insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or any successor entity.

(v) Commercial paper rated at the time of purchase not less than P-2 by Moody's or A-2 by S & P or within the two highest classifications established by at least one national rating service, and which matures within 270 days after the date of issue.

(vi) Repurchase agreements against obligations itemized in paragraphs (i) and (ii) above, and executed by a bank or trust company or by members of the association of primary dealers or other recognized dealers in United States government securities, the market value of which must be maintained at levels at least equal to the amounts

advanced and which obligations must be held in the custody of the Trustee or the Trustee's agent.

(vii) Any fund or other pooling arrangement which exclusively purchases and holds the investments itemized in paragraphs (i) through (vi) above.

(viii) Investment agreements or guaranteed investment contracts with providers whose unsecured long-term debt is rated within the two highest rating classifications established by at least one national rating service or investment agreements or guaranteed investment contracts which are guaranteed by an entity meeting the provider requirements described in this paragraph (viii).

(ix) Eurodollar time deposits in a bank or branch in the United States owned by a bank domiciled outside the United States. This type of investment must be in a bank with total assets of at least US \$45,000,000,000 and with a long-term debt rating of at least "A-3" (or its equivalent) by at least one national rating service.

"Person" or **"person"** means natural persons, firms, associations, corporations, limited liability companies and public bodies.

"Pledge Agreement" means the Pledge and Security Agreement dated as of the Execution Date among the Bank, the Obligor and the Trustee, as the same may be amended or supplemented in accordance with its terms, and any substitutions therefor, pursuant to which the Trustee shall hold any Bonds tendered but not remarketed by the Remarketing Agent.

"Pledged Bonds" means any Bonds which, pursuant to the Pledge Agreement, were tendered but not remarketed by the Remarketing Agent and are held by the Trustee.

"Principal" when used with reference to the principal of the Bonds, means principal of the Bonds and, where appropriate, any premium in addition to principal due upon redemption of the Bonds.

"Principal Amount" means the \$8,000,000 aggregate principal amount of the Bonds.

"Project" has the meaning ascribed to it in the Agreement, including such modifications thereof, substitutions therefor, and Improvements to the Project (as defined in the Agreement), and excluding such deletions therefrom, as shall be made in accordance with the Agreement.

"Project Fund" means the fund established pursuant to Section 601 hereof and which shall be entitled San Gabriel Industrial Development Corporation Project Fund, 2009 AirBorn, Inc. Project.

"Purchase Date" means the Business Day selected by a Holder of Variable Rate Bonds as the date on which such Holder's Bonds are to be purchased pursuant to such Holder's exercise of the option granted in Section 201 hereof.

"Purchase Fund" means the fund established with the Trustee pursuant to Section 603 of this Indenture.

"Purchase Price" means an amount equal to 100% of the principal amount of any Bond tendered or required to be tendered for purchase pursuant to Section 201 or 202 hereof, plus when applicable accrued and unpaid interest thereon to the date of purchase.

"Rating Agencies" means Moody's, S & P or Fitch.

"Record Date" means (i) with respect to a Variable Rate Bond, the day prior to an Interest Payment Date, and (ii) with respect to Fixed Rate Bonds, the 15th day of the month preceding any Interest Payment Date.

"Reimbursement Agreement" means the Reimbursement Agreement dated as of the Execution Date between the Obligor and the Bank pursuant to which the Credit Facility is to be issued, as the same may be amended or supplemented in accordance with its terms, or any such reimbursement agreement with a Substitute Bank.

"Remarketing Agent" means the remarketing agent appointed in accordance with Section 911 hereof, initially, Comerica Securities.

"Remarketing Agent's Address" means Comerica Securities, 201 W. Fort Street, Detroit, Michigan 48226-3089.

"Remarketing Agreement" means the Remarketing Agreement entered into as of the Execution Date by and between the Obligor and the Remarketing Agent, as the same may be amended or supplemented in accordance with its terms.

"Requisition Certificate" has the meaning ascribed to it in the Agreement.

"Reserved Rights" means those certain rights of the Issuer and the Issuer's Agents under the Agreement to indemnification and to payments of certain Issuer fees and expenses, public liability insurance proceeds and indemnity payments, its right to enforce notice and reporting requirements and restrictions on transfer of ownership, its right to inspect the books, records and premises of the Obligor and of the Project, its right to enforce a mandatory redemption of Bonds in the event of a Determination of Taxability, its right to collection of attorneys fees and its right to receive certain notices.

"Resolution" means the resolution adopted by the Issuer on June 16, 2009, authorizing, among other things, the issuance and sale of the Bonds.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., its successors and assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee at the direction of the Obligor (provided that the Bank consents to such designation) by written notice to the Issuer and the Remarketing Agent.

"Security" means the properties, rights and interests specified in Section 301 hereof which stand as security for payment of the principal of, premium, if any, and interest on Bonds.

"SIFMA Municipal Index" means the SIFMA Municipal Swap Index (formerly the Bond Market Association Municipal Swap Index) disseminated by Municipal Market Data, a Thomson Financial Services Company or its successor. In the event that the SIFMA Municipal Index as described in the preceding sentence is not available, then the SIFMA Municipal Index will be a comparable or successor index selected by the Remarketing Agent with the consent of the Obligor.

"State" means the State of Texas.

"Substitute Bank" means the issuer of a Substitute Credit Facility which meets the standards set forth in Section 210 hereof.

"Substitute Credit Facility" means a letter of credit, insurance policy, surety bond, guaranty or similar commitment delivered to the Trustee pursuant to Section 210 hereof representing the irrevocable obligation of the issuer thereof to pay to the Trustee or to cause to be paid to the Holders in accordance with the terms thereof amounts necessary to pay all interest on all Bonds as and when due on each Interest Payment Date and all principal or Purchase Price of all Bonds as and when due if sufficient amounts for such payments are not otherwise available under this Indenture.

"Substitution Date" means the effective date of substitution for, and surrender of the Credit Facility pursuant to Section 210(a) hereof.

"Trustee" means U.S. Bank National Association, a national banking association, or any successor Trustee appointed in accordance with the Indenture.

"Trustee's Address" means U.S. Bank National Association, 5555 San Felipe, Suite 1150, Houston, Texas 77056, Attention: Corporate Trust Administration.

"Undelivered Bonds" means any Bonds which are deemed tendered for purchase as provided in Section 116 hereof, but which are not delivered to the Trustee.

"Variable Rate Bonds" means, individually and collectively, Daily Rate Bonds and Weekly Rate Bonds.

"Weekly Rate" means the interest rate per annum on the Bonds established in accordance with Section 110A below.

"Weekly Rate Adjustment Date" means, with respect to a Weekly Rate Bond, Thursday of each week regardless of whether such Thursday is a Business Day.

"Weekly Rate Bonds" means all Bonds which bear interest at the Weekly Rate.

"Weekly Rate Conversion Date" means the Daily Rate Interest Payment Date on which the Bonds begin to bear interest at a Weekly Rate in accordance with the terms hereof.

"Weekly Rate Interest Payment Date" means (a) the first Business Day of each month, commencing with the first Business Day of the month next succeeding the Effective Date and the first Business Day of the month next succeeding a Weekly Rate Conversion Date, and (b) the Maturity Date.

PREMISES

The Issuer is empowered under the Act to assist any person in the financing of certain projects and facilities, through the issuance of its revenue bonds. The Obligor has proposed the acquisition, construction and installation of the Project, and as an inducement therefor has requested the Issuer to assist in the financing of the Project and certain other expenses incidental thereto, as provided in the Act.

The Issuer has determined that making the Loan to the Obligor will promote and serve the intended purposes of, and in all respects will conform to the provisions and requirements of, the Act. In order to grant the Loan and thereby assist in the financing of the Project, the Issuer is issuing the Bonds. The Issuer, the Trustee and the Obligor understand and intend that the financing of the Project through issuance of the Bonds and the making of the Loan will be structured in the following general manner, as detailed in this Indenture and in the Agreement: The Issuer will issue the Bonds under the Act and use the principal amount thereof to make the Loan to the Obligor. The Loan shall be repaid by the Obligor in Loan Repayments sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due. From the proceeds of the Loan, the Obligor will complete the Project. Under the terms of the Agreement, the Obligor will make Loan Repayments, and will be responsible for paying any costs of the Project which exceed the principal amount of the Bonds, for maintaining and insuring the Project, and for paying all taxes and expenses relating to the Project. The Issuer's obligation with respect to the Bonds is subject to the limitations therein contained, viz., that principal of, premium if any, and interest on the Bonds and any other costs or pecuniary liability relating to the Bonds, the Loan, the Project or the implementation thereof or any proceeding, document, or certification incidental to the foregoing, shall never be payable from tax revenues or public funds of the Issuer, the County, the State of Texas, any political subdivision of the State

of Texas, or any agency thereof or general funds or assets of the Issuer but shall be payable only from the Security. The Issuer has no taxing authority.

As part of the Security for the Loan Repayments, so long as the Bonds bear interest as Variable Rate Bonds and at the Obligor's option thereafter, the Obligor will cause the Credit Facility to be delivered to the Trustee. The Trustee is instructed in this Indenture to draw under the Credit Facility up to the sum of (a) the principal amount of the Bonds (i) to enable the Trustee to pay the principal amount of the Bonds when due at maturity, by acceleration of maturity or otherwise or upon redemption or (ii) to enable the Trustee to pay the portion of the Purchase Price of Bonds delivered to the Trustee and not remarketed by the Remarketing Agent equal to the principal amount of such Bonds, plus (b) an amount equal to 45 days' (or if applicable pursuant to Section 208 of the Indenture 210 days) interest on the Bonds calculated at the Maximum Rate to enable the Trustee to pay interest on the Bonds plus (c) if required pursuant to Section 208 of this Indenture, and if the Credit Facility then covers premium, any premium on the Bonds.

The Issuer's participation in the financing of the Project is intended to enable the Obligor to utilize certain provisions of the Code. Section 103 of the Code encourages the construction of certain types of facilities and the public financing thereof through issuance of revenue bonds by providing that the interest on such bonds, as contrasted with any bonds which might be issued by the Obligor itself, will be excluded from gross income for federal tax purposes. This tax exemption enables the purchasers of the Bonds to accept a lower rate of interest than they would otherwise require, and thereby further reduces the interest cost to the Obligor of financing the Project.

GRANTING CLAUSE AND HABENDUM

In consideration of the purchase of the Bonds and the obligations of the Trustee under this Indenture and to provide for the payment of principal, premium, if any, and interest on the Bonds, the rights of the Bondholders, and the performance of the Issuer's obligations under the Bonds and this Indenture, the Issuer does hereby grant, convey, pledge and assign, as an absolute and present grant, conveyance, pledge and assignment, unto the Trustee, its successors in the trust and its assigns all of the right, title and interest of the Issuer in and to the Security specified in Section 301.

TO HAVE AND TO HOLD in trust for the equal and ratable benefit and security of all present and future Holders of the Bonds issued under this Indenture, without preference, priority or distinction as to lien or otherwise (except as herein expressly provided) of any one Bond over any other Bond upon the terms, and subject to the conditions, hereinafter set forth.

ARTICLE I

THE BONDS

Section 101. Issuance of the Bonds, Interest, Redemption, Purchase and Transfer; Limited Obligation. The Bonds shall be issued by the Issuer in the Principal Amount for the purpose of making the Loan and thereby assisting in financing the Project. The Bonds shall be designated as provided in the definition of Bonds and shall be issuable as provided in Section 103 and the Bond Forms Appendix. The Bonds shall be dated as of the Effective Date and mature on the Maturity Date. The Bonds shall initially bear interest at the Weekly Rate, as provided in Section 110A, unless and until converted to the Daily Rate on a Daily Rate Conversion Date in accordance with Section 111, or to the Fixed Rate on the Fixed Rate Conversion Date in accordance with Section 113.

The Bonds shall:

(a) Be payable as to interest (i) on each Daily Rate Interest Payment Date with respect to Bonds that are Daily Rate Bonds, (ii) on each Weekly Rate Interest Payment Date with respect to Bonds that are Weekly Rate Bonds and (iii) on each Fixed Rate Interest Payment Date with respect to Bonds that are Fixed Rate Bonds.

(b) Bear interest from the Effective Date or such later date to which interest has been paid. Interest accruing on Variable Rate Bonds shall be computed on the basis of a 365/366 day year and the number of days actually elapsed. Interest accruing on Fixed Rate Bonds from and after the Fixed Rate Conversion Date shall be computed on the basis of a 360-day year composed of twelve 30-day months.

(c) Mature on the Maturity Date, subject to the right of the Obligor on behalf of the Issuer to establish serial maturities or mandatory sinking fund redemption requirements as provided in the Indenture in connection with the conversion of the Bonds to Fixed Rate Bonds.

(d) Be payable as to principal and premium, if any, in lawful money of the United States of America at the designated corporate trust office of the Trustee, and be payable as to interest to the Holder thereof as of the applicable Record Date by check or draft payable in lawful money of the United States of America mailed to such Holder at the address appearing on the registration books of the Issuer kept by the Trustee or at such other address as is furnished to the Trustee in writing by such Holder; provided, that if a Holder owns Variable Rate Bonds in an aggregate principal amount of \$500,000 or more, such Holder may, by written request to the Trustee made at least 5 days prior to a Record Date, request that payment of interest be made by wire transfer to the domestic bank account designated in the request.

(e) During such period as such Bond or Additional Bond is a Variable Rate Bond, be secured by and payable from a Credit Facility.

The Bonds are subject to redemption as provided in Article IV and in the Bond Forms Appendix, may be delivered to the Trustee for purchase and may be transferred or exchanged as provided in Section 106 and in the forms of Bonds set forth in the Bond Forms Appendix.

The Bonds and the interest payable thereon do not constitute a debt or liability of the Issuer, the County, the State, or any other political subdivision thereof within the meaning of the provisions of the Constitution or the statutes of the State, or a pledge of the faith and credit or the taxing power of the Issuer, the County, the State or any other political subdivision thereof, but shall be payable solely from the funds pledged therefor in accordance with this Indenture.

Section 102. Application of Proceeds of Bonds. Immediately upon the receipt thereof, the proceeds of the sale of the Bonds shall be deposited with the Trustee and apportioned between the Bond Fund and the Project Fund in the following manner:

(a) There shall be deposited in the Bond Fund the amount representing accrued interest, if any, received upon initial sale and delivery of the Bonds; and

(b) There shall be deposited in the Project Fund the balance of the proceeds of initial sale and delivery of the Bonds less any costs associated with issuance of the bonds, as applicable.

Section 103. Form of the Bonds. The Bonds shall be issued in the form of fully-registered Bonds without coupons in Authorized Denominations and shall be numbered upwards in order of authentication.

The Bonds shall contain a recital that they are issued pursuant to the Act and may have printed thereon such legend or legends as may be required to comply with any law, rule or regulation or to conform to general usage or practice as determined to be advisable by the Issuer and the Trustee.

The forms of the Bonds shall be substantially in the forms set forth in the Bond Forms Appendix, with such appropriate changes, omissions and insertions as are permitted or required by this Indenture, including, if applicable, the omission of all references to the Credit Facility; provided, that until the Fixed Rate Conversion Date, the Bonds shall be issued in the form set forth in the Bond Forms Appendix as Form of Variable Rate Bond, and on or after the Fixed Rate Conversion Date the Bonds shall be issued in the form set forth in the Bond Forms Appendix as Form of Fixed Rate Bond and the title of the Bond may be revised to reflect the fixed rate of interest.

Section 104. Execution, Authentication and Delivery of the Bonds. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of a member or an authorized officer of the Issuer or any other officer authorized in the Resolution and may have impressed or printed thereon the official seal of the Issuer. Execution of Bonds by facsimile signature shall have the same force and effect as if each of such Bonds had been manually

signed. In case any officer or member of the Issuer whose facsimile signature shall appear on the Bonds shall cease to be such officer or member before the delivery of such Bonds, such facsimile signature shall nevertheless be valid and sufficient for all purposes, as if such officer or member had remained in office until such delivery. At the direction of the Issuer the Trustee shall authenticate and deliver the Bonds.

Unless and until the certificate of authentication thereon shall have been duly executed by the Trustee, no Bond shall be valid or obligatory for any purpose or entitled to any right or benefit under this Indenture. Execution of the certificate of authentication on a Bond by an authorized signatory of the Trustee shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. It shall not be necessary that the same authorized signatory of the Trustee execute the certificate of authentication on each of the Bonds in order for the Bonds to be valid.

Section 105. Place and Manner of Payment. The principal and interest on the Bonds shall be payable as provided in the form of the Bonds set forth in the Bond Forms Appendix. Payment as aforesaid shall be made in lawful money of the United States of America.

Section 106. Transfer and Exchange; Retention and Cancellation of Bonds. Any Bond may be transferred or exchanged by the registered owner thereof but only upon registration books of the Issuer kept by the Trustee, upon the surrender of such Bond, together with a written instrument of transfer or exchange satisfactory to the Trustee duly executed by the registered owner or the owner's attorney duly authorized in writing, and thereupon a Bond or Bonds of any denomination or denominations authorized by this Indenture in the same aggregate principal amount shall be issued to the transferee or owner in exchange therefor.

The registration and registration of transfer of any Bond is subject to a charge by the Trustee sufficient to cover any governmental tax or fee in connection therewith. Neither the Issuer nor the Trustee shall be required (i) to register, transfer or exchange Fixed Rate Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption, or (ii) to transfer or exchange any Bonds called for redemption.

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 principal and, in the case of Fixed Rate Bonds, premium, if any, shall be made only to or to the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove set forth, provided, however, that payment of or on account of interest shall be made only to or upon the order of the person in whose name any Bond shall be registered on the relevant Record Date, or his or her duly authorized attorney. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Trustee shall retain in its possession printed, executed Bonds which have not been authenticated which shall be used for the purpose of exchange from time to time.

All Bonds which have been redeemed shall be canceled by the Trustee and shall not be reissued. Matured Bonds delivered to the Trustee, or Bonds surrendered to the Trustee in connection with any exchange or transfer or Bonds acquired for retirement by purchase shall also be canceled. The Trustee shall cremate or otherwise destroy canceled Bonds and deliver a certificate of cremation or other destruction to the Issuer and the Obligor. If the Obligor, the Trustee or the Trustee for its own account shall acquire any of the Bonds, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Bonds unless and until the same are delivered to the Trustee for cancellation.

Section 107. Book-Entry System. The Issuer has entered into an agreement with The Depository Trust Company ("DTC") for the purpose of establishing a "Book-Entry System" for the Bonds. Pursuant to such agreement, Bonds will be registered in the name of DTC, or its nominee, for the benefit of other parties ("DTC Participants"), and DTC shall agree to keep accurate records of the DTC Participants, and promptly to transfer funds received by it in payment for the Bonds to appropriate beneficiaries. The ownership interest of each actual purchaser of a Bond will be recorded in the records of the DTC Participant and each such purchaser will receive a written confirmation of the purchase providing details of the Bond acquired. Transfers of ownership will be accomplished by book entries made by DTC and, in turn, by the DTC Participant who will act on behalf of each such purchaser. Under such circumstances, purchasers will not receive certificates representing their ownership interest in the Bonds, except as otherwise specifically provided in this Indenture. The Issuer and the Trustee may treat the registered holder of each Bond as the owner thereof for all purposes, including payment of principal, interest and redemption premium thereof, the giving of notices, and receipt of consents and direction as specified herein. DTC shall be entitled to take all action with respect to such notices and consents regarding Bonds registered in its or its nominee's name, and may take actions with respect to a portion of such Bonds so registered which are inconsistent with the actions taken with respect to other portions of the Bonds so registered. Neither the Issuer, the Obligor, the Bank nor the Trustee is or will be responsible for the actions of DTC or anyone else in connection with the operation of the Book-Entry System. In any case where delivery of a Bond to the Trustee is required under this Indenture, such delivery shall be deemed to have been made by appropriate notation of transfer or registration on the records of DTC so long as the Book-Entry System is in effect.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer, the Obligor and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trustee shall transfer and exchange Bond certificates to the actual purchaser of each Bond (the "Beneficial Owner"). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

The Issuer may determine that continuation of the system of the book entry transfers through DTC is not in the best interests of the respective Beneficial Owners and that the Beneficial Owners shall be able to obtain Bond certificates. In such event, the Issuer or DTC Participants, upon the direction of the Issuer, shall notify the Beneficial Owners of the availability of Bond certificates and the Trustee shall transfer and exchange Bond certificates to such Beneficial Owners. Thereafter, upon presentation of the Bonds for transfer, the Trustee shall transfer the Bonds or portions thereof in accordance with Section 207 of this Indenture.

The costs and expense of printing, preparing and delivering Bond certificates upon the termination of the services of DTC shall be borne by the Obligor.

Section 108. Mutilated, Lost, Wrongfully Taken, Undelivered or Destroyed Bonds.

If any Bond is mutilated, lost, wrongfully taken or destroyed, or any tendered Bond or Bond deemed to have been tendered is not delivered pursuant to the terms of this Indenture, in the absence of written notice to the Issuer and the Trustee that a lost, wrongfully taken or destroyed or undelivered Bond has been acquired by a bona fide purchaser, the Trustee shall authenticate and deliver a new Bond of like date, maturity and denomination and of the same series as the Bond mutilated, lost, wrongfully taken, destroyed or undelivered; provided, that (i) in the case of any mutilated Bond, the mutilated Bond first shall be surrendered to the Trustee, (ii) in the case of any lost, wrongfully taken or destroyed Bond, there first shall be furnished to the Issuer evidence of the loss, wrongful taking or destruction satisfactory to the Issuer, together with indemnity to the Issuer, the Trustee, and the Obligor satisfactory to each of them, and payment of any out of pocket costs of the Issuer, and (iii) in the case of any tendered Bond which is undelivered there shall be satisfactory loss indemnity furnished to the Issuer, and the Obligor by the nondelivering Holder.

If any lost, wrongfully taken, undelivered or destroyed Bond shall have matured, instead of issuing a new Bond, the Authorized Obligor Representative may direct the Trustee to pay that Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond. The Issuer, and the Trustee may charge the Holder of a mutilated, lost, wrongfully taken, undelivered or destroyed Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Bond issued pursuant to this Section by reason of any Bond being lost, wrongfully taken, undelivered or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Bond lost, taken or destroyed, a contractual obligation of the Issuer, regardless of whether the lost, wrongfully taken or destroyed Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Indenture equally and proportionately with any and all other Bonds issued and outstanding hereunder.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken, undelivered or destroyed Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of

negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Section 109. Initial Mode. The Bonds shall bear interest as Variable Rate Bonds or Fixed Rate Bonds as provided in this Article I. Upon the initial execution and delivery of the Bonds, the Bonds shall be Weekly Rate Bonds.

SECTION 110A. Weekly Rate Bonds.

(a) The Bonds shall bear interest at the Weekly Rate from the Effective Date or a subsequent Weekly Rate Conversion Date to and including the earlier of the day preceding their redemption, the succeeding Conversion Date or the Maturity Date. The initial Weekly Rate for the Bonds effective on the Effective Date and on any Weekly Rate Conversion Date shall be established by the Remarketing Agent prior to the Effective Date or Weekly Rate Conversion Date, as the case may be, in the same manner as the Remarketing Agent is required to establish the Weekly Rate for each subsequent Interest Period in accordance with Section 110A(b).

(b) On each Interest Determination Date with respect to any Weekly Rate Bonds, the Remarketing Agent shall determine the interest rate to be borne on the Weekly Rate Bonds, which rate shall be that rate of interest which is the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary to remarket the Bonds in a secondary market transaction on the next succeeding Weekly Rate Adjustment Date at a price equal to the principal amount thereof plus accrued interest thereon, if any; provided, that the Weekly Rate so determined shall not exceed the Maximum Rate. The Remarketing Agent shall keep a written record of its method of determination of the interest rate to be borne on the Weekly Rate Bonds on each Interest Determination Date. The interest rate determined for Weekly Rate Bonds on any Interest Determination Date shall be effective from and including the immediately succeeding Weekly Rate Adjustment Date to but excluding the next succeeding Weekly Rate Adjustment Date.

(c) On each Interest Determination Date with respect to any Weekly Rate Bonds, the Remarketing Agent shall give notice of the Weekly Rate so determined by telephone (promptly confirmed in writing), e-mail or facsimile, to the Obligor, the Trustee and the Bank.

(d) If, by 5:00 p.m. Central prevailing time, on any Interest Determination Date with respect to any Weekly Rate Bonds, the Remarketing Agent has failed to determine the Weekly Rate, such Weekly Rate Bonds shall continue to bear interest at the Weekly Rate in effect for the immediately preceding Interest Period.

(e) If the Remarketing Agent notifies the Trustee in writing that for any reason the interest rate on the Variable Rate Bonds cannot be established, or the Trustee is notified in writing by either the Remarketing Agent or the Obligor that the interest rate on the Variable Rate Bonds has been held to be invalid or unenforceable by a court of competent jurisdiction for any period, the interest rate for such period shall be the SIFMA Municipal Index plus 50 basis points (.50%) as of the Interest Determination Date.

(f) Weekly Rate Bonds that are Pledged Bonds shall bear interest as provided in the Reimbursement Agreement or the Pledge Agreement, but not in excess of the maximum rate permitted by law.

SECTION 110B. Daily Rate Bonds.

(a) The Bonds shall bear interest at the Daily Rate from a Daily Rate Conversion Date to and including the earlier of the day preceding their redemption, the succeeding Conversion Date or the Maturity Date. The initial Daily Rate for the Bonds effective on any Daily Rate Conversion Date shall be established by the Remarketing Agent prior to the Daily Rate Conversion Date in the same manner as the Remarketing Agent is required to establish the Daily Rate for each subsequent Interest Period in accordance with Section 110B(b).

(b) By 9:30 a.m., Central prevailing time, on each Interest Determination Date with respect to any Daily Rate Bonds, the Remarketing Agent shall determine the interest rate to be borne on the Daily Rate Bonds, which rate shall be that rate of interest which is the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary to remarket the Bonds in a secondary market transaction on such Interest Determination Date at a price equal to the principal amount thereof plus accrued interest thereon, if any; provided, that the Daily Rate so determined shall not exceed the Maximum Rate. The Remarketing Agent shall keep a written record of its method of determination of the interest rate to be borne on the Daily Rate Bonds on each Interest Determination Date. The interest rate determined for Daily Rate Bonds on any Interest Determination Date shall be effective from and including such Interest Determination Date to but excluding the next succeeding Interest Determination Date.

(c) By 9:45 a.m., Central prevailing time, on each Interest Determination Date with respect to any Daily Rate Bonds, the Remarketing Agent shall give notice of the Daily Rate so determined by telephone (promptly confirmed in writing), e-mail or facsimile, to the Obligor, the Trustee and the Bank.

(d) If, by 9:45 a.m. Central prevailing time, on any Interest Determination Date with respect to any Daily Rate Bonds, the Remarketing Agent has failed to determine and give notice of the Daily Rate as provided in Sections 110B(b) and (c) above, such Daily Rate Bonds shall continue to bear interest at the Daily Rate in effect for the immediately preceding Interest Period.

(e) If the Remarketing Agent notifies the Trustee in writing that for any reason the interest rate on the Variable Rate Bonds cannot be established, or the Trustee is notified in writing by either the Remarketing Agent or the Obligor that the interest rate on the Variable Rate Bonds has been held to be invalid or unenforceable by a court of competent jurisdiction for any period, the interest rate for such period shall be the SIFMA Municipal Index plus 50 basis points (.50%) as of the Interest Determination Date.

(f) Daily Rate Bonds that are Pledged Bonds shall bear interest as provided in the Reimbursement Agreement or the Pledge Agreement, but not in excess of the maximum rate permitted by law.

SECTION 111. Conversion of Bonds Among Weekly Rate and Daily Rate. Prior to the Fixed Rate Conversion Date, the Obligor, on behalf of the Issuer and with the prior written approval of the Bank (which approval shall be governed by the Reimbursement Agreement), may elect to convert all (but not less than all) of the Bonds from the Weekly Rate to the Daily Rate, or from the Daily Rate to the Weekly Rate, in accordance with the provisions set forth in this Section 111.

(a) To initiate a conversion from the Weekly Rate to the Daily Rate, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank, at least 25 days prior to the Daily Rate Conversion Date, a certificate signed by an Authorized Obligor Representative which specifies: (i) that the Bonds are to be converted to the Daily Rate; and (ii) the Daily Rate Conversion Date (which shall be a Weekly Rate Interest Payment Date). Such Bonds shall be subject to mandatory tender for purchase on the Daily Rate Conversion Date.

(b) To initiate a conversion from the Daily Rate to the Weekly Rate, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank, at least 25 days prior to the Weekly Rate Conversion Date, a certificate signed by an Authorized Obligor Representative which specifies: (i) that the Bonds are to be converted to the Weekly Rate; and (ii) the Weekly Rate Conversion Date (which shall be a Daily Rate Interest Payment Date). Such Bonds shall be subject to mandatory tender for purchase on the Weekly Rate Conversion Date.

(c) Not later than 20 days prior to the Daily Rate Conversion Date or Weekly Rate Conversion Date, as the case may be, the Trustee shall give written notice by registered or certified mail, return receipt requested, to all Holders of the Bonds being converted stating: (i) the Daily Rate Conversion Date or Weekly Rate Conversion Date, as applicable; (ii) that on the Daily Rate Conversion Date or Weekly Rate Conversion Date, the Bonds are subject to mandatory tender for purchase; (iii) that all Holders of such Bonds shall be deemed to have tendered such Bonds for purchase on the Daily Rate Conversion Date or Weekly Rate Conversion Date, as applicable, and such Bonds shall be deemed tendered if not delivered to the Trustee; and (iv) that if for any reason the conversion to the Daily Rate or Weekly Rate does not occur, the Bonds will continue to be subject to mandatory tender for purchase on the proposed Daily Rate Conversion Date or Weekly Rate Conversion Date, as the case may be.

(d) In the event any condition precedent to a conversion of any Bond to the Daily Rate or the Weekly Rate is not fulfilled (including the establishment of a Daily Rate or Weekly Rate by the Remarketing Agent for the initial Interest Period of any Daily Rate Bond or Weekly Rate Bond), the Bonds shall continue to be subject to mandatory tender for purchase, shall not be converted, and shall continue to bear interest at the Weekly Rate or Daily Rate established for such Bonds immediately prior to the proposed Conversion Date (until a new interest rate is established in accordance with the provisions of Section 110A or Section 110B hereof, as the case may be).

Section 112. Opinion and Undertaking Requirements. The Bonds shall not be converted to Fixed Rate Bonds unless on the Fixed Rate Conversion Date the Obligor delivers to the Issuer and the Trustee (i) an opinion of Bond Counsel to the effect that the proposed

conversion will not, in and of itself, cause the interest on the Bonds to be includable in gross income of the holders thereof for federal income tax purposes; provided that Bond Counsel may assume that the interest on the Bonds was not includable in gross income for federal income tax purposes to the extent aforesaid immediately prior to the conversion, (ii) an opinion of Bond Counsel that the requirements of Section 208 of this Indenture have been met, and (iii) a written undertaking by the Obligor, satisfactory in form and substance to the Remarketing Agent and the Issuer, whereby the Obligor agrees to comply with the continuing disclosure requirements of subsection (b)(5) of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, as then applicable, provided, however, that the Obligor shall not be required to make such a written undertaking if the Obligor provides the Remarketing Agent, the Issuer and the Trustee a written opinion of Counsel that an exemption from compliance with Rule 15c2-12 is available.

Section 113. Additional Bonds. At the request of the Obligor, but subject to the written approval of the Holder, (but only so long as the Holder is the sole Holder of the Bonds), the Attorney General of the State (to the extent required by law), and, to the extent required by the Act, the Department, the Issuer may issue Additional Bonds from time to time for any purpose permitted by the Act including the issuance of any refunding bonds. The Issuer reserves the right pursuant to a supplemental indenture approved as provided in Section 1001 hereof at the request of the Obligor to issue Additional Bonds without limit in one or more series for the purposes set forth in, and subject to Section 1.4 of the Agreement; provided, however, that no Additional Bonds shall be issued without the prior written consent of the Bank. All Bonds issued under the Indenture shall be of the same priority and shall be equally and ratably payable from and secured by the Security, but the Additional Bonds may bear such dates and interest rates, have maturity dates and redemption dates and prices, and be issued at such prices as shall be approved in writing by the Issuer and the Obligor. The Trustee shall, at the request of the Issuer, authenticate and deliver the Additional Bonds as specified in the request, but only upon receipt of:

- (1) An indenture supplemental hereto:
 - (a) establishing the series to be issued and providing the terms of the Bonds thereof;
 - (b) authorizing the execution and delivery of the Bonds to be issued;
 - (c) stating the purpose of the issue;
 - (d) if the purpose is refunding, authorizing the payment and redemption of the Bonds to be refunded; and
 - (e) setting forth any other matters relating to the issuance of the Additional Bonds or the purpose for which they are to be issued;

- (2) A certificate of the Obligor:
- (a) stating that no Event of Default under the Agreement has occurred and is continuing; and
 - (b) if the purpose is refunding, stating (i) that notice of redemption of the Bonds to be refunded has been duly given or that provision has been made therefor and (ii) that the proceeds of the issue plus any other amounts stated to be available for the purpose will be sufficient to pay the principal or redemption price of such Bonds at maturity or on the first redemption date plus interest accrued to such date or dates together with all other costs and expenses relating to the refunding;
- (3) An executed counterpart of any amendment or supplement to the Agreement not previously delivered;
- (4) The proceeds of the sale of the Additional Bonds;
- (5) An opinion of Bond Counsel to the effect that:
- (a) the purpose of the Additional Bonds is one for which bonds may be issued under this Section and the Act.
 - (b) all conditions prescribed herein as precedent to the issuance have been fulfilled;
 - (c) the Additional Bonds have been validly authorized and executed and, when authenticated and delivered pursuant to the request of the Issuer, will be valid obligations of the Issuer entitled to the benefit of the trust created hereby;
 - (d) the issuance of such Additional Bonds will not adversely affect the tax-exempt status, under the Code as enacted and construed on the date of the opinion, of interest on the Bonds then outstanding, except as to any such Bond held by a substantial user of the Project or by a related person within the meaning of the Code;
- (6) An opinion of counsel for the Obligor that the Agreement, including any amendment thereto, has been duly authorized, executed and delivered and is a valid and binding obligation of the Obligor except to the extent limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination;
- (7) Confirmation from any Rating Agency then rating the Bonds that its rating will not be reduced or withdrawn as a result of the issuance of such Additional Bonds; and

(8) An opinion of the Attorney General of the State approving such Additional Bonds.

Upon the adoption, execution and delivery in each instance of appropriate supplements to the Indenture and to the Agreement, the Issuer shall execute and deliver to the Trustee, and the Trustee, upon the written order of the Issuer, shall authenticate and deliver to the purchaser or purchasers as directed by the Issuer, such Additional Bonds.

Section 114. Conversion of Bonds to Fixed Rate Bonds.

(a) The Obligor, on behalf of the Issuer, with the prior written approval of the Bank (which approval may be granted or withheld in the Bank's sole discretion), and subject to the provisions of Section 208 hereof, may elect to convert all (but not less than all) of the Bonds to the Fixed Rate on any Daily Rate Interest Payment Date or Weekly Rate Interest Payment Date. To initiate such conversion, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank at least 45 days prior to the Fixed Rate Conversion Date (i) an opinion of Bond Counsel to the effect that the proposed conversion will not, in and of itself, cause the interest on the Bonds to be includable in gross income of the holders thereof for federal income tax purposes, provided that Bond Counsel may assume that the interest on the Bonds was not includable in gross income for federal income tax purposes to the extent aforesaid immediately prior to the conversion, and (ii) a certificate signed by the Authorized Obligor Representative stating (1) that the Bonds shall be converted to Fixed Rate Bonds, (2) the Fixed Rate Conversion Date, (3) whether the existing Credit Facility or a Substitute Credit Facility shall be in full force and effect, or whether no Credit Facility will be provided, on and after the Fixed Rate Conversion Date and (4) whether in connection with the conversion the Bonds or portions thereof are to mature serially or be subject to mandatory sinking fund redemption subsequent to the Fixed Rate Conversion Date and, if so, specifying the serial maturity or mandatory sinking fund redemption amounts and dates. Following the Fixed Rate Conversion Date, the Bonds shall mature on the Fixed Rate Principal Payment Date in each year in serial maturities or be subject to mandatory sinking fund redemptions beginning on the first Fixed Rate Principal Payment Date occurring more than six months after the Fixed Rate Conversion Date and ending on the Fixed Rate Principal Payment Date occurring immediately prior to the expiration of the Credit Facility then securing the Bonds, or ending on the final maturity date if no Credit Facility is provided following the conversion, in amounts rounded to the nearest minimum Authorized Denomination, so that the annual debt service on the Bonds is approximately equal. The annual serial maturities or mandatory sinking fund redemptions shall be established in amounts as set forth by the Remarketing Agent in a certificate delivered to the Trustee and the Issuer as conforming to the foregoing requirements. In the alternative, Fixed Rate Bonds shall mature in such amounts as shall be approved by the Issuer in a supplemental indenture delivered prior to the Fixed Rate Conversion Date. In addition, the Trustee shall give written notice of the conversion to any Rating Agencies then rating the Bonds.

(b) Not later than 30 days prior to the Fixed Rate Conversion Date, the Trustee shall give written notice by registered or certified mail, return receipt requested, to all

Holders of Bonds being converted stating (1) that on the Fixed Rate Conversion Date the Bonds will convert to Fixed Rate Bonds and the rating on the Bonds, if any, upon conversion to a Fixed Rate, (2) that on the Fixed Rate Conversion Date the Bonds will be subject to mandatory tender and purchase, (3) that all Holders of such Bonds shall be deemed to have tendered such Bonds for purchase on the Fixed Rate Conversion Date and such Bonds shall be deemed tendered if not delivered to the Trustee, (4) if the proposed Fixed Rate Conversion Date is also a Substitution Date, the identity of the issuer of the Substitute Credit Facility, and (5) that if for any reason the conversion to a Fixed Rate does not occur, the Bonds will be subject to mandatory tender, be subject to purchase on the proposed Fixed Rate Conversion Date and will remain Weekly Rate Bonds or Daily Rate Bonds, as the case may be.

(c) If the Trustee receives written notification from the Obligor no later than 12:00 P.M. Central prevailing time, on the eighth day immediately preceding the Fixed Rate Conversion Date of the Obligor's decision not to elect the conversion of the interest rate on the Bonds to the Fixed Rate on the Fixed Rate Conversion Date, the interest rate on the Bonds shall not be converted to the Fixed Rate on the Fixed Rate Conversion Date and the Bonds shall continue to bear interest at the Weekly Rate or the Daily Rate, as the case may be. In such event, all Bonds shall be purchased on the proposed Fixed Rate Conversion Date in accordance with the provisions of Section 202 hereof. Further, the Issuer, the Obligor and the Trustee shall be restored to their former positions and rights hereunder with respect to the Bonds, and all rights of the Issuer, the Trustee and the Obligor hereunder shall continue as if no such proceedings for the conversion of the interest rate on the Bonds had been taken. The Trustee shall promptly notify the Issuer by mail (and shall immediately notify the Bank and the Remarketing Agent by telephone) in the event that the interest rate on the Bonds is not converted on the Fixed Rate Conversion Date as provided herein.

(d) Not earlier than 30 days nor later than the Business Day prior to the Fixed Rate Conversion Date, the Remarketing Agent shall establish the Fixed Rate or Fixed Rates to be applicable to the Bonds from and after the Fixed Rate Conversion Date, which shall be the lower of (1) the Maximum Rate and (2) that rate of interest that is the minimum rate or rates necessary in the judgment of the Remarketing Agent, under the then current market conditions, to remarket the Bonds on the Fixed Rate Conversion Date at a price equal to the principal amount thereof plus accrued interest thereon, if any. If the Remarketing Agent fails to determine the Fixed Rate or Fixed Rates for such Bonds, or a court of competent jurisdiction holds that the interest rate or rates so determined are invalid or unenforceable, the Bonds shall be subject to mandatory tender, shall be purchased on the proposed Fixed Rate Conversion Date and such Bonds shall remain Weekly Rate Bonds or Daily Rate Bonds, as the case may be, and shall bear interest at the rate determined pursuant to Section 110A or 110B hereof, as applicable.

Section 115. Binding Nature of Determinations. The determination by the Remarketing Agent of the interest rates in accordance with the provisions hereof is hereby approved by the Issuer and each such determination shall be conclusive and binding upon the Holders of the Bonds, the Issuer, the Obligor, the Trustee and the Bank.

Section 116. Non-presentment of Bonds. If any Bond shall not be presented for payment when the principal or Purchase Price thereof becomes due, either at maturity, on the Conversion Date, a proposed Conversion Date, a Substitution Date or Purchase Date at the date fixed for redemption thereof, or otherwise, and if moneys sufficient to pay the principal of and interest on such Bond or Purchase Price thereof to the Conversion Date, proposed Conversion Date, Substitution Date or Purchase Date or redemption or maturity date, as the case may be, shall then be on deposit in the Bond Fund, all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his part under this Indenture or with respect to such Bond or portion thereof.

Section 117. Undelivered Bonds. Any Bonds which are required to be tendered for purchase on the Conversion Date, a proposed Conversion Date, a Substitution Date or a Purchase Date to the Trustee that are not delivered on the Conversion Date, proposed Conversion Date, Substitution Date or Purchase Date for the payment of which there has been irrevocably deposited in trust with the Trustee an amount of money sufficient to pay the Purchase Price thereof shall be deemed to have been purchased pursuant to this Section and shall be Undelivered Bonds. In the event of a failure by a Bondholder to tender its Bonds on or prior to the required date, said Holder of such Undelivered Bonds shall not be entitled to any payment other than the Purchase Price of the Undelivered Bonds and Undelivered Bonds in the hands of such non-delivering Holder shall no longer accrue interest or be entitled to the benefits of this Indenture, except for the payment of the Purchase Price; provided, however, that the indebtedness represented by such Bonds shall not be extinguished, and the Trustee shall transfer, authenticate and deliver such Bonds as provided below.

With respect to any Undelivered Bond, the Trustee acting hereunder and pursuant to the power of attorney granted by such Bondholder in the Bond, shall do the following:

- (1) Assign such Bond to the purchaser or purchasers thereof;
- (2) Authenticate and deliver a new Bond or Bonds, as appropriate, to the purchaser or purchasers thereof;
- (3) Execute an acknowledgement that the Holder of an Undelivered Bond holds such Undelivered Bond for the benefit of the new purchaser or purchasers thereof, who shall be identified in such acknowledgement;
- (4) Promptly notify by first class mail the Holder of such Undelivered Bond that:
 - (A) The Trustee has acted pursuant to such power of attorney to transfer the Undelivered Bond and to perform the other acts set forth in this Section;

(B) The Undelivered Bond is no longer Outstanding;

(C) Funds equal to the applicable Purchase Price for such Bond are being held on behalf of such Holder, without interest, in the fund established for such purpose by the Trustee;

(5) Enter on the register that the Undelivered Bond is no longer Outstanding; and

(6) Hold an amount equal to the Purchase Price for such Bond without interest, and pay such amount to such holder upon presentation of the certificate representing the Undelivered Bond.

ARTICLE II

PURCHASE AND REMARKETING OF BONDS; CREDIT FACILITY

Section 201. Demand Purchase Option.

(a) Each Holder shall have the right to have any or all Bonds which are Variable Rate Bonds held by such Holder purchased at 100% of the par amount plus accrued and unpaid interest, and such Variable Rate Bonds shall be purchased, as provided in this Article II, but only if and so long as a Credit Facility is in effect.

(b) Such Variable Rate Bonds shall be purchased at the Purchase Price from the Holder thereof upon:

(i) (A) in the case of Weekly Rate Bonds, delivery by the Holder not later than 11:00 a.m., Central prevailing time, on a Business Day that is at least 7 calendar days prior to the Purchase Date to the Remarketing Agent at its principal office and the Trustee of irrevocable notice by facsimile (promptly confirmed in writing) which (i) states the aggregate principal amount (in Authorized Denominations) of such Weekly Rate Bonds to be purchased; (ii) states the Purchase Date; and (iii) appoints the Trustee as its duly authorized attorney-in-fact for purposes of transfer if the Bonds are not presented in a timely fashion; and

(B) in the case of Daily Rate Bonds, delivery by the Holder not later than 10:00 a.m., Central prevailing time, on a Business Day, to the Remarketing Agent at its principal office and the Trustee, of irrevocable notice by facsimile (promptly confirmed in writing, which written notice shall be addressed to the Trustee and the Remarketing Agent) which (1) states the aggregate principal amount (in Authorized Denominations) of such Daily Rate Bonds to be purchased, (2) states the Purchase Date (which Purchase Date may be the date of the delivery of such notice to the Trustee and the Remarketing Agent), and

(3) appoints the Trustee as its duly authorized attorney-in-fact for purposes of transfer if the Bonds are not presented in a timely fashion; and

(ii) delivery to the Trustee, not later than the Purchase Date designated in the notice described in (b)(i)(A) or (b)(i)(B) above, of such Bonds to be purchased with an appropriate endorsement for transfer or accompanied by a blank power of attorney duly executed. In the event such Bonds are not presented for purchase they are deemed tendered and the registered owner thereof shall only be entitled to the Purchase Price of the Undelivered Bond upon surrender thereof to the Trustee.

Section 202. Mandatory Tender and Purchase of Bonds; Waiver.

(a) All Variable Rate Bonds must be tendered by the Holders thereof to the Trustee for purchase (i) on the Conversion Date or on a proposed Conversion Date or (ii) on a Substitution Date unless a Holder elects to retain its Bonds as provided in paragraph (c) of this Section 202.

(b) Except as provided in paragraph (c) of this Section 202, any Variable Rate Bonds tendered or required to be tendered for purchase pursuant to this Section 202 shall be delivered to the Trustee on or before the Conversion Date, proposed Conversion Date or Substitution Date, as applicable, and any Variable Rate Bonds required to be tendered for purchase that are not delivered for which there has been irrevocably deposited in trust with the Trustee an amount of money sufficient to pay the Purchase Price thereof shall be deemed to have been purchased pursuant to this Article II and shall be Undelivered Bonds. In the event of a failure by a Holder to tender Variable Rate Bonds on or prior to the required date, such Holder shall not be entitled to any payment (including any interest to accrue subsequent to the required purchase date) other than the Purchase Price for such Undelivered Bonds and any Undelivered Bonds shall no longer be entitled to the benefits of this Indenture, except for the payment of the Purchase Price therefor from such moneys. Any moneys held by the Trustee for the purchase of any Undelivered Bonds shall be separated and held uninvested in the Purchase Fund for the exclusive benefit of the Holders of such Undelivered Bonds.

(c) Each Holder of Variable Rate Bonds may elect to waive the mandatory tender and purchase of its Variable Rate Bonds on a Substitution Date which is not also a Conversion Date or proposed Conversion Date by delivering notice to the Trustee of such election not later than 11:00 a.m., Central prevailing time, on the eighth Business Day prior to the Substitution Date. Such notice must state that (i) such Holder acknowledges that the Credit Facility is being replaced with a Substitute Credit Facility, (ii) such Holder acknowledges that its Variable Rate Bonds will remain subject to optional and mandatory tender following the substitution on the same terms prior to the substitution, (iii) such Holder acknowledges that any rating on the Bonds may be reduced or withdrawn as a result of the substitution, and (iv) such Holder affirmatively elects to retain its Variable Rate Bonds; provided, that, if the Substitution Date is also a proposed Conversion Date or Conversion Date, the foregoing provisions of this

paragraph (c) shall not apply and no Holder may elect to waive the mandatory tender and purchase of its Variable Rate Bonds.

Section 203. Remarketing of Bonds.

(a) Upon the delivery of notice by any Holder in accordance with Section 201 hereof, or upon the Bonds becoming subject to mandatory repurchase in accordance with Section 202 hereof, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made for settlement on the date on which such Bonds are to be purchased as provided in this Article II or as soon as practicable thereafter, at 100% of the principal amount of such Bond plus any accrued interest thereon to the purchase date; provided that the Remarketing Agent shall not be required to remarket any Bonds after the occurrence of an Event of Default hereunder.

(b) Promptly, but in no event later than (i) the Business Day following the day on which the Remarketing Agent receives a demand from any Holder of Weekly Rate Bonds to have such Weekly Rate Bonds purchased pursuant to Section 201 hereof, or (ii) 10:15 a.m. Central prevailing time, on each Purchase Date for which the Remarketing Agent receives a demand from any Holder of Daily Rate Bonds to have such Daily Rate Bonds purchased pursuant to Section 201 hereof, the Remarketing Agent shall give facsimile notice (promptly confirmed in writing) to the Trustee, the Obligor and the Bank specifying the principal amount of Bonds which such Holder has demanded to have purchased and shall promptly deliver a copy of such written notice from the Holder to each of such parties. On each date on which Bonds are delivered pursuant to Section 201 hereof, the Remarketing Agent shall give telegraphic or telephonic notice, promptly confirmed by a written notice, to the Trustee, the Obligor and the Bank specifying the principal amount of Bonds so delivered.

(c) Any Bond purchased pursuant to this Article II after the date any notice of conversion or delivery of a Substitute Credit Facility is given by the Trustee as provided in Section 113 or 210(b) hereof, respectively, through the proposed Conversion Date, Conversion Date or Substitution Date, as applicable, shall only be remarketed by the Remarketing Agent to a buyer to whom the Remarketing Agent has delivered, at the time of such remarketing, a copy of the notice of conversion or delivery of a Substitute Credit Facility.

(d) The Remarketing Agent shall notify the Trustee and the Bank by 10:30 a.m., Central prevailing time, on each date on which the Bonds are to be purchased pursuant to Section 201 or 202 hereof, by telephone (promptly confirmed in writing) (i) of the aggregate principal amount of Bonds to have been remarketed on such date that have not been successfully remarketed by the Remarketing Agent and (ii) the registered owner, registration instructions, principal amount and current interest rate, of each Bond successfully remarketed by the Remarketing Agent.

(e) The notice to be given the Bank pursuant to subparagraph (d) of this Section 203 is for convenience only and shall not be a condition precedent to any drawing under

the Credit Facility. In connection with the delivery of a Substitute Credit Facility, such notice shall be given by the Trustee to the issuer of the Substitute Credit Facility.

(f) The Remarketing Agent shall not remarket Bonds to the Issuer or the Obligor or to any insider or affiliate of either of them (within the meaning of the United States Bankruptcy Code) nor shall the Issuer or the Obligor purchase Bonds from the Remarketing Agent other than with the proceeds of a draw on the Credit Facility.

Section 204. Funds for Purchase of Bonds Tendered. On the date Bonds are to be purchased pursuant to Section 201 or 202 hereof, such Bonds shall be purchased at the Purchase Price only from the funds listed below. Funds for the payment of the Purchase Price shall be derived from the following sources in the order of priority indicated:

(a) the proceeds of the sale of such Bonds which have been remarketed by the Remarketing Agent, which the Remarketing Agent shall use its best efforts under the Remarketing Agreement to deliver to the Trustee by 10:45 a.m., Central prevailing time, on the proposed Conversion Date, Conversion Date, Substitution Date or Purchase Date;

(b) Available Moneys representing the proceeds of a drawing on the Credit Facility; and

(c) any other moneys furnished to the Trustee or the Remarketing Agent and available for such purpose.

Section 205. Delivery of Purchased Bonds; Cancellation.

(a) Any Bonds purchased with moneys described in Section 204(a) hereof shall be delivered to, or upon the order of, the purchasers thereof.

(b) Any Bonds purchased with moneys described in Section 204(b) hereof shall, unless otherwise specified by the Bank, be delivered to the Trustee and registered in the name of the Obligor and pledged to the Bank pursuant to the Pledge Agreement. The Trustee shall hold such Bonds as agent for the Bank in its sole custody and control for the account of the Bank as pledgee of the Obligor. The Trustee shall not release such Bonds unless the Trustee receives written notice that the amount available to be drawn under the Credit Facility will be reinstated prior to or concurrently with such release by an amount at least equal to the principal amount of Bonds so released plus interest at the Maximum Rate for a period of 45 days (or if applicable pursuant to Section 208 hereof, 210 days) on the Bonds so released; provided, however, in the event a Bond is not remarketed within 30 days from the Purchase Date, Substitution Date, proposed Conversion Date or Conversion Date, as the case may be, it shall be cancelled by the Trustee if directed by the Bank in writing in accordance with the Pledge Agreement.

(c) Any Bonds purchased with moneys described in Section 204(c) hereof shall, at the direction of the Obligor, be (i) delivered as instructed by the Obligor, (ii) delivered to the Trustee for cancellation or (iii) delivered to the Obligor, provided, however, that any Bonds so purchased after the selection thereof by the Trustee for redemption shall be delivered to the Trustee for cancellation.

(d) Except as provided in Section 205(b), Bonds delivered as provided in this Section 205 shall be registered in the manner directed by the recipient thereof.

Section 206. Delivery of Proceeds of Sale of Bonds. In the event the Remarketing Agent shall have remarketed any Bonds registered in the name of the Obligor and held under the terms of the Pledge Agreement pursuant to Section 205(b) hereof, the proceeds of sale of such Bonds shall be delivered to the Bank.

Section 207. Actions on Behalf of Holders.

(a) The Trustee and the Remarketing Agent agree, and will cause each of their agents to agree, that they will:

(i) hold all Bonds delivered to it under this Article II in trust solely for the benefit of the respective Holders who shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Holders; and

(ii) hold all moneys delivered to it under this Article II for the purchase of Bonds in trust and uninvested solely for the benefit of the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity.

(b) The Trustee and the Remarketing Agent, in carrying out their responsibilities under this Article II, shall be acting solely on behalf of the Holders from time to time of the Bonds, except as otherwise specified. No delivery of Bonds to the Trustee, the Remarketing Agent or any agent of either of them pursuant to this Article II shall constitute a redemption of the Bonds or an extinguishment of the obligation represented thereby.

Section 208. Credit Facility Requirements on Conversion. Notwithstanding any other provision of this Indenture, prior to the giving of any notice to the Holders of the proposed conversion of the Bonds to Fixed Rate Bonds, if a Credit Facility is to remain in full force and effect from and after the Fixed Rate Conversion Date, the Obligor shall deliver to the Rating Agencies, if any are then rating the Bonds, the Remarketing Agent and the Trustee evidence satisfactory to them that (a) the Bank has increased the stated amount of the existing Credit Facility to, or (b) a Substitute Credit Facility will be provided in, an amount sufficient to pay the principal of and interest on the Bonds in an amount equal to 210 days' interest calculated at the

Fixed Rate or Fixed Rates. Any decision to increase the stated amount of the existing Credit Facility shall be entirely within the Bank's discretion and nothing in this Indenture shall be construed as obligating the Bank to consent to any such increase. If a Credit Facility is to remain in full force and effect from and after the Fixed Rate Conversion Date, the Fixed Rate Bonds shall be subject to mandatory redemption on expiration of the Credit Facility in accordance with the provisions of Section 401(g) hereof.

Section 209. Obligation of Trustee to Draw on Credit Facility.

(a) Prior to 12:00 noon, Central prevailing time, on the Business Day prior to each Interest Payment Date the Trustee shall draw on the Credit Facility an amount calculated by the Trustee to be equal to the amount of interest then due on the Bonds (other than Pledged Bonds) on such date. The Credit Facility shall provide that the Bank shall honor such draw by 11:30 a.m., Central prevailing time, on such Interest Payment Date by initiating a wire transfer of the amounts so drawn under the Credit Facility directly to the Trustee for deposit in the Bond Fund.

(b) Prior to 11:00 a.m., Central prevailing time, on each proposed Conversion Date, Conversion Date, Substitution Date or Purchase Date, the Trustee shall draw on the Credit Facility an amount calculated by the Trustee to be equal to the difference between (i) the amount of the proceeds of remarketing the Bonds delivered by the Remarketing Agent and on deposit with the Trustee by 10:45 a.m. Central prevailing time on the proposed Conversion Date, Conversion Date, Substitution Date or Purchase Date and (ii) the Purchase Price of all Bonds (other than Pledged Bonds) to be purchased on such date. The Credit Facility shall provide that the Bank shall honor such draw by 2:00 p.m., Central prevailing time, on such proposed Conversion Date, Conversion Date, Substitution Date or Purchase Date by initiating a wire transfer of the amounts so drawn under the Credit Facility directly to the Trustee for deposit in the Purchase Fund.

(c) Prior to 12:00 noon, Central prevailing time, on the Business Day prior to each date on which Bonds are to be redeemed, the Trustee shall draw on the Credit Facility an amount calculated by the Trustee to be equal to the redemption price of the Bonds (other than Pledged Bonds) then due. Premium, if any, on the Bonds shall be included only if the Bank has increased the stated amount of the Credit Facility to include such premium. The Credit Facility shall provide that the Bank shall honor such draw by 11:30 a.m., Central prevailing time, on such date on which Bonds are to be redeemed by initiating a wire transfer of the amounts so drawn under the Credit Facility directly to the Trustee for deposit in the Bond Fund.

(d) Prior to 12:00 noon, Central prevailing time, on the Business Day prior to the scheduled maturity date of any Bonds, the Trustee shall draw on the Credit Facility an amount calculated by the Trustee to be equal to the maturing principal amount of the Bonds (other than Pledged Bonds), together with interest thereon to the maturity date. The Credit Facility shall provide that the Bank shall honor such draw by 11:30 a.m., Central prevailing time,

on such scheduled maturity date by initiating a wire transfer of the amounts so drawn under the Credit Facility directly to the Trustee for deposit in the Bond Fund.

(e) In the event of an acceleration of the maturity of the Bonds under Section 801 hereof, the Trustee shall first, without exception, and prior to any other action, prior to 12:00 noon Central prevailing time, on the date on which the Trustee gives to the Bank the notice of such acceleration required by such Section 801, draw on the Credit Facility an amount calculated by the Trustee to be equal to the maturing principal amount of the Bonds (other than Pledged Bonds), together with interest thereon to the date of declaration of acceleration.

(f) Upon the occurrence of any of the events specified in the Credit Facility with respect to which the Credit Facility is to be terminated and surrendered for cancellation, the Trustee shall promptly surrender the Credit Facility to the Bank for termination in accordance with the provisions thereof.

(g) Notwithstanding any provision to the contrary in this Indenture, (A) in computing the amount to be drawn under the Credit Facility on account of the payment of the principal or Purchase Price of, or interest on the Bonds, the Trustee shall exclude any such amounts in respect of any Bonds which are Pledged Bonds on the date such payment is due, and (B) amounts drawn by the Trustee under the Credit Facility shall not be applied to the payment of the principal or Purchase Price of, or interest on, any Bonds which are Pledged Bonds on the date such payment is due.

Section 210. Substitute Credit Facility.

(a) The Obligor may, from time to time, deliver to the Trustee a Substitute Credit Facility, the terms of which are in all material respects the same as the existing Credit Facility except with respect to the stated expiration date which, in the case of Fixed Rate Bonds shall be at least as long as the stated expiration date of the existing Credit Facility, and, in the case of Variable Rate Bonds, shall be at least one year from the Substitution Date, provided that the Trustee, the Remarketing Agent and the Bank are each given notice thereof at least 60 days prior to the Interest Payment Date next preceding the Substitution Date (and a commitment to issue a Substitute Credit Facility from the issuer of a Substitute Credit Facility accompanies such notice to the Trustee and the Remarketing Agent) and provided further that such Substitute Credit Facility complies with the Indenture and is accompanied by (i) a written opinion of Bond Counsel acceptable to the Issuer and the Trustee stating that the delivery of such Substitute Credit Facility to the Trustee is authorized under this Indenture and complies with the terms hereof, (ii) a written opinion of counsel to the issuer of the Substitute Credit Facility addressed to the Trustee that the Substitute Credit Facility is binding and enforceable in accordance with its terms, subject as to enforceability to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights as they relate to the issuer of the Substitute Credit Facility and the exercise of judicial discretion in accordance with general principles of equity, the Substitute Credit Facility is not subject to registration under the Securities Act of 1933, as amended, or has been so registered, (iii) a written opinion of Bond Counsel to the effect that the

exclusion of the interest on the Bonds from gross income for federal income tax purposes will not be impaired due to the substitution, (iv) if the Bonds are Fixed Rate Bonds, written evidence that with respect to the long term indebtedness of the issuer of the Substitute Credit Facility, or with respect to securities supported by similar credit instruments issued by such issuer, the rating thereof is not less than the ratings for similar instruments of the then current issuer of the Credit Facility, but in no event less than "A" or its equivalent, and (v) written confirmation from the Bank that all sums owed by the Obligor to the Bank have been paid in full. Upon receipt of such documentation, the Trustee shall accept such Substitute Credit Facility and promptly surrender the previous Credit Facility to the issuer thereof for cancellation.

(b) Not less than 30 days prior to any Substitution Date, the Trustee shall give notice of the Substitution Date to the Holders by registered or certified mail, return receipt requested, which notice shall (1) specify the Substitution Date, (2) specify the issuer of the Substitute Credit Facility, and (3) if the Bonds are Variable Rate Bonds, state that all Holders will be required to tender their Variable Rate Bonds to the Trustee for purchase on the Substitution Date unless a Holder elects to retain its Variable Rate Bonds in accordance with the procedure set forth in Section 202(c) hereof; provided, that if the Substitution Date is also a proposed Conversion Date or Conversion Date, the foregoing provisions of this paragraph (b) shall not apply and the Holders shall be provided only the notice described in Section 113(b) hereof (and no Holder may elect to retain its Bonds in connection with the conversion).

Section 211. Deposit of Credit Facility; Extension of Credit Facility; Return of Credit Facility. (a) So long as the Bonds are secured by a Credit Facility, the Credit Facility shall be deposited with the Trustee. Any extension of the Credit Facility shall be deposited with the Trustee not later than 60 days prior to the last Interest Payment Date prior to the expiration of the Credit Facility. Upon its receipt of an extension of the Credit Facility, the Trustee promptly shall notify the Remarketing Agent of such extension. The extension of the Credit Facility shall not require compliance with the requirements of Section 210 hereof.

(b) The Trustee shall return the Credit Facility to the Bank for cancellation at such time as the Credit Facility has expired in accordance with its terms, or a Substitute Credit Facility has been substituted therefor (but only if the issuer of the Credit Facility being replaced has honored the draw on such Credit Facility in connection with the mandatory tender caused by the replacement), or the day after the Conversion Date if the Credit Facility is no longer in effect.

ARTICLE III

SECURITY

Section 301. Security. In addition to the rights of the Trustee to draw upon the Credit Facility, the Bonds and the interest thereon shall be secured by and payable from the following (together with the Credit Facility, collectively referred to as the "Security"):

(i) all Loan Repayments which the Obligor is obligated to make under the Agreement, which Loan Repayments are to be paid directly to either the Bank or the Trustee, as provided in the Agreement;

(ii) all moneys in the Bond Fund and the Project Fund established in this Indenture and the security interest granted by the Obligor therein, including the proceeds of the Bonds pending disbursement;

(iii) all of the Issuer's rights and interest in the Agreement, subject to the Reserved Rights; and

(iv) all of the proceeds of the foregoing, including Investment Income.

The Bank has delivered the Credit Facility to the Trustee which the Trustee hereby acknowledges is held for the equal and ratable benefit of the Holders from time to time of the Bonds, other than Pledged Bonds.

The Trustee shall accept any Substitute Credit Facility for which it receives evidence satisfactory to the Trustee that such Substitute Credit Facility complies with the requirements of Section 210 of the Indenture.

The interest of the Issuer in the Security has been assigned to the Trustee pursuant to and for the purpose set forth in the GRANTING CLAUSE AND HABENDUM set forth in this Indenture.

Section 302. Further Assurances. The Issuer shall cooperate to the extent necessary with the Obligor and the Trustee in its defense of the Security against the claims and demands of any person, and will do, execute, acknowledge and deliver or cause to be done such further acts, instruments and transfers as the Trustee may reasonably require for the better granting of the Security, including without limitation, delivery of any financing statements and continuation statements.

Section 303. No Other Encumbrances. The Issuer shall not sell, convey, mortgage, encumber or otherwise dispose of the Security, or any part thereof other than as provided in this Indenture.

Section 304. Discharge of Lien. When all principal and Purchase Price of, and interest on, the Bonds have been paid or provision has been made for such payment, and if all obligations owing to the Issuer and the Trustee have been discharged as required by this Indenture, and provided that the Trustee shall have received an opinion of nationally recognized counsel with expertise in bankruptcy matters to the effect that the moneys or securities deposited with the Trustee for the purpose of paying the principal of and interest on the Bonds would not constitute a voidable preference under Sections 547 or 544 of the United States Bankruptcy Code in the event of the filing of a petition thereunder by or against the Issuer or the Obligor, the Security for

the Bonds shall be released from the lien of this Indenture, this Indenture shall be discharged upon performance by the Trustee of its final duties hereunder and the Trustee shall execute and deliver to the Obligor, with copies to the Issuer and the Bank, such evidences of discharge and satisfaction as may be appropriate in form satisfactory to the Obligor, and shall assign and deliver to the Bank or the Obligor or such other person as shall be entitled to receive the same, all property then in its possession except cash or securities held for payment of principal and Purchase Price of or interest on the Bonds, provided, however, if the Obligor is indebted to the Bank under the Reimbursement Agreement based on a written certificate from the Bank as to the existence of such indebtedness, the Trustee shall not pay any moneys to the Obligor without the prior written consent of the Bank and, after payment in full of all such sums owing to the Trustee, the Issuer and the Issuer's Agents shall pay over and assign without recourse to the Bank the Security or such part thereof as the Bank may specify to the Trustee.

The principal of and interest on the Fixed Rate Bonds only shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 304 if (i) there shall have been deposited with the Trustee either Available Moneys in an amount which shall be sufficient, or direct obligations of or obligations the principal and interest of which are unconditionally guaranteed by the United States of America (which have been acquired with Available Moneys) and which do not permit the prepayment thereof at the option of the issuer (herein called "Permissible Securities") the principal of and interest on which when due and without any reinvestment thereof will provide moneys which together with the Available Moneys (if any) deposited with the Trustee at the same time shall be sufficient to pay when due the principal of 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, and (ii) in the event the Bonds are not by their terms subject to redemption within the next succeeding 30 days, the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to mail by registered or certified mail, a notice to the Bondholders that the deposit required by clause (i) above has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with this Section 304 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and interest on the Bonds. Neither Permissible Securities nor moneys deposited with the Trustee pursuant hereto nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and all of the same shall be held in trust for, the payment of the principal of and interest on the Bonds; provided, however, that any cash received from such principal and interest payments on such Permissible Securities deposited with the Trustee if not then needed for such purpose shall, to the extent practicable be reinvested in Permissible Securities maturing at times and in amounts sufficient to pay when due the principal of and interest to become due on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Obligor, as received by the Trustee free and clear of any trust, lien or pledge.

The discharge or assignment of lien by the Trustee pursuant to this Section 304 shall not affect the obligation of the Trustee to hold moneys on deposit in the Bond Fund or the Purchase Fund in exchange for which Bonds have not been presented as provided in Section 115 hereof or

any lien or other encumbrance of the Bank with respect to the property of the Obligor. Notwithstanding anything contained in this Indenture to the contrary, if the Trustee has drawn on the Credit Facility pursuant to Section 803 hereof, this Indenture and the rights and obligations created hereby shall remain in full force and effect until the proceeds of such draw have been distributed or made available to the Bondholders in accordance with Sections 209 and 604.

ARTICLE IV

REDEMPTION OF BONDS

Section 401. Redemption Provisions of the Bonds.

(a) Variable Rate Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Obligor, in whole on any date, or in part (in such manner so that following the redemption only Bonds in Authorized Denominations remain outstanding in accordance with Section 403 hereof), on any Interest Payment Date at a price of 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.

(b) Fixed Rate Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Obligor, in whole on any date, or in part (in such manner so that following the redemption only Bonds in Authorized Denominations remain outstanding in accordance with Section 403 hereof), on any Interest Payment Date following the expiration of the applicable call protection period at the redemption prices plus accrued interest to the redemption dates, all as set forth in the form of Fixed Rate Bond set forth in the Bond Forms Appendix.

(c) All Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Obligor, in whole or in part (in such manner so that following the redemption only Bonds in Authorized Denominations remain outstanding in accordance with Section 403 hereof), on the Conversion Date at the principal amount thereof plus accrued interest thereon to the redemption date, without premium.

(d) The Issuer shall immediately notify the Trustee of the occurrence of a Determination of Taxability upon receipt by the Issuer of notice thereof from any Bondholder, former Bondholder, beneficial owner or former beneficial owner. If, prior to the date on which this Indenture shall be discharged, as provided in Section 304 hereof, the Trustee receives written notice from any Bondholder, former Bondholder, beneficial holder or former beneficial holder of the occurrence of a Determination of Taxability, the Trustee shall immediately give written notice thereof to the Issuer, the Bank, the Obligor and the Remarketing Agent. The foregoing notwithstanding, no notice of such a Determination of Taxability shall be conclusive unless and until the Trustee either (i) receives an opinion of Counsel (selected by the Trustee) of nationally recognized standing on the subject of municipal bonds to the effect that the events or circumstances giving rise to the alleged Determination of Taxability constitutes, in the opinion of such Counsel, a Determination of Taxability within the meaning of the definition thereof set

forth in the Bond Forms Appendix or (ii) waives its right to obtain such an opinion of Counsel; provided, that, if the Trustee determines to obtain such an opinion of Counsel, it shall do so within 30 days of its receipt of notice of a Determination of Taxability from the Issuer or a Bondholder, former Bondholder, beneficial owner or former beneficial owner, or shall be deemed to have waived its right to obtain such an opinion. Within 5 Business Days after receipt by the Trustee of an opinion of Counsel confirming the occurrence of a Determination of Taxability or after its waiver of its right to obtain such an opinion, the Trustee shall give notice of the redemption of all of the Bonds, which redemption shall be effected on the day that is no later than 30 days after the date the Trustee confirmed (by independent opinion of Counsel or waiver thereof) the occurrence of such Determination of Taxability or, if such day is not a Business Day, the immediately succeeding Business Day. The Bonds shall be redeemed at a price of 100% of the principal amount thereof plus accrued interest to the redemption date.

(e) The Bonds are subject to extraordinary optional redemption as described in the Bonds.

(f) All Bonds shall be subject to mandatory redemption prior to their stated maturity at the principal amount thereof plus accrued interest to the redemption date, in part, at the earliest time possible following the deposit in the Surplus Bond Proceeds Account within the Bond Fund of Surplus Bond Proceeds in accordance with Section 4.4 of the Agreement, to the extent of the greatest amount equal to an integral multiple of \$5,000 in such Account and in accordance with Section 403 hereof.

(g) Variable Rate Bonds and Fixed Rate Bonds, if secured by a Credit Facility, shall also be subject to mandatory redemption prior to their stated maturity at the principal amount thereof plus accrued interest thereon on the Interest Payment Date which next precedes by at least 2 Business Days the date of expiration of the term of the Credit Facility or any Substitute Credit Facility then in effect, unless an extension or a Substitute Credit Facility shall have been delivered to the Trustee as provided in the Agreement at least 60 days prior to the last Interest Payment Date prior to the expiration of the Credit Facility or Substitute Credit Facility then in effect.

(h) Whenever the Obligor desires to exercise its option to redeem Bonds, it shall deliver written notice thereof to the Trustee not less than 45 days prior to the redemption date specifying the Bonds to be redeemed and the redemption date.

Section 402. Selection of Bonds to be Redeemed. If less than all Bonds are to be redeemed upon any redemption of Bonds hereunder, Bonds shall be redeemed, in accordance with Section 403 hereof, by lot or in such other manner as the Trustee may determine. All Bonds pledged to the Bank by the Obligor shall be selected first for redemption.

In selecting Bonds for redemption, the Trustee may treat Bonds purchased at the demand of the Holder pursuant to Section 201 hereof and held by the Remarketing Agent and Bonds delivered pursuant to Section 205 hereof in replacement therefor during the 15 days next

preceding the notice by mailing of any proposed redemption of Bonds as though such purchase and delivery had not occurred. If a Bond selected for redemption shall have been purchased pursuant to such Section 201 and a new Bond shall have been delivered in replacement therefor pursuant to such Section 205 on or after the 15th day immediately preceding the notice by mailing of any proposed redemption of Bonds, then the Bond delivered in replacement for the Bond so purchased shall be deemed to be the Bond selected for redemption.

Section 403. Partial Redemption of Bonds. If a Bond is of a denomination larger than the minimum Authorized Denomination, such Bond may be redeemed in whole or in part, provided that upon a partial redemption the principal amount not being redeemed remains an Authorized Denomination. At no time shall a Bond be outstanding under the Indenture in less than an Authorized Denomination. Upon the selection and call for redemption of, and the surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to or upon the written order of the Holder thereof, a new Bond of an Authorized Denomination in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 404. Effect of Call for Redemption. On any date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. If on the date fixed for redemption, moneys for payment of the redemption price and all accrued interest to such date are held by the Trustee as provided herein, interest on such Bonds so called for redemption shall cease to accrue, the Holders of such Bonds shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Trustee and the amount of such Bonds so called for redemption shall be deemed paid and no longer Outstanding.

Section 405. Notice of Redemption. Except as provided in Section 401(d), the notices of redemption shall be given by the Trustee by mail not less than 30 days prior to the date set for redemption, to each registered Holder of a Bond to be so redeemed at the address shown on the Bond Register. If less than all the Bonds are to be redeemed, the notice shall identify the Bonds to be redeemed by reference to the serial numbers or other identifying designation of each such Bond. Failure to mail any such notice, or any defect in such notice, as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. While the Bonds are Variable Rate Bonds, from the date of such notice through the redemption date, Bonds subject to redemption may not be remarketed except to a buyer who acknowledges in writing at the time of such purchase the date of redemption of such Bonds.

Section 406. Market Purchases of Bonds. At the Obligor's option and its written direction, any Available Moneys in the Bond Fund may be used to acquire Bonds in the open market for cancellation if the cost to acquire such Bonds is equal to or less than the redemption price at the next available call date on or after the date of acquisition; provided, that no such purchase shall be made except with Available Moneys to the extent not then earmarked for payment of (i) matured principal of, premium, if any, or interest on any Bonds, (ii) the

redemption price of Bonds previously selected or called for redemption, (iii) the Purchase Price of Undelivered Bonds or (iv) any other Purchase Price or debt service payment (or a portion thereof) on any Bonds, due or to become due, which the Trustee shall have taken into account in calculating the amount of any drawing made on the Credit Facility.

ARTICLE V

REPRESENTATIONS AND COVENANTS OF THE ISSUER

Section 501. General Limitation. All representations and covenants of the Issuer herein and in any proceeding, document or certification incidental to issuance of the Bonds shall not create a pecuniary liability of the Issuer, except to the extent of the Security.

Section 502. Payment of Bonds and Performance of Covenants. The Issuer shall, but only out of the Security, promptly pay the principal of, premium, if any, and interest on the Bonds at the place, on the dates and in the manner provided in the Bonds. The Issuer shall promptly perform and observe all of its other covenants, undertakings and obligations set forth in the Resolution, this Indenture, the Bonds or the Agreement.

Section 503. Project Books. All books and documents in the possession of the Issuer relating to the Project and the Security shall at all times during the Issuer's regular business hours be open to inspection by the Trustee and its attorneys and agents. All costs and expenses of maintaining, recording or updating all such books and documents shall be paid by the Obligor, including any costs of copying or reproducing such books and documents.

Section 504. Enforcement of the Agreement. The Trustee may enforce against the Obligor or any person any rights of the Issuer or obligations of the Obligor under or arising from the Bonds or under the Agreement, whether or not the Issuer is in default hereunder or under the Bonds, but the Trustee shall not be deemed to have thereby assumed the obligations of the Issuer under the Agreement. The Issuer shall fully cooperate with the Trustee in the enforcement by the Trustee of any such rights.

At the request of the Trustee and upon provision for reasonable indemnification to the Issuer by any Bondholder, the Issuer shall (i) take such actions as the Trustee shall reasonably request to enforce the rights of the Issuer or the Trustee under or arising from the Bonds, the Credit Facility or the Agreement and (ii) shall cooperate in any effort of the Trustee on behalf of the Issuer to enforce the Agreement or any remedy provided in the Agreement. Nothing herein shall be construed as requiring the Issuer or the Trustee to operate the Project.

Section 505. No Personal Liability. Neither the Issuer's Agents, including specifically any person executing this Indenture or the Bonds, nor any other Indemnified Persons shall be liable personally on the Bonds or subject to any personal liability for any reason relating to the issuance of the Bonds.

Section 506. Issuer's Representations. The Issuer represents and warrants as follows:

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

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

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

It is understood and agreed that the Issuer makes no representations or warranties as to (i) the financial position or business condition of the Obligor or the Bank, (ii) any statements (financial or otherwise), representations, information, documents or certifications provided or to be provided or at any time referred to in connection with the offer or sale of the Bonds or the granting of the Credit Facility or (iii) the correctness, completeness or accuracy of such statements, representations, information, documents or certifications.

Section 507. Governmental Functions. The State is not assigning any of its governmental functions in this Indenture. Nor shall the State be precluded from taking such actions as shall be necessary in order for it to perform its governmental functions. The Issuer shall, however, be bound by its undertaking herein.

ARTICLE VI

ESTABLISHMENT AND USE OF FUNDS

Section 601. Establishment and Use of Project Fund. The Project Fund is hereby established with the Trustee. The Project Fund shall receive all proceeds from the sale of the Bonds (excluding any premium and accrued interest which are required to be deposited in the Bond Fund established pursuant to Section 602 hereof). Moneys in the Project Fund shall be expended and disbursed in accordance with the provisions of Section 4.1 of the Agreement. The Trustee is hereby authorized and directed to make disbursements from the Project Fund on any Requisition Certificate meeting the requirements of the Agreement. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all receipts and disbursements pertaining thereto, and shall furnish periodic statements not more frequently than monthly with respect thereto to the Bank and the Obligor. The records of the Trustee with respect to all income and disbursements relating to the Project Fund shall be made available by the Trustee at its designated corporate trust office during normal business hours and upon reasonable notice from the Issuer, the Bank and the Obligor. Upon receipt of the Completion Certificate from the

Obligor, and in any event on the third anniversary hereof, amounts remaining in the Project Fund shall be transferred to and deposited in the Surplus Bond Proceeds Account of the Bond Fund and used as provided in this Indenture and the Agreement.

Section 602. Establishment and Use of Bond Fund. The Bond Fund is hereby established with the Trustee. There shall be established as separate accounts in the Bond Fund a General Account, a Surplus Bond Proceeds Account and a Credit Facility Account. Moneys shall be deposited in the Bond Fund as follows:

(a) The Trustee shall deposit into the General Account:

(i) from the proceeds of initial sale and delivery of the Bonds, the amount received from the purchasers as premium, if any, and accrued interest on the Bonds; and

(ii) all Loan Repayments made or caused to be made by the Obligor to the Trustee pursuant to the Agreement and all proceeds resulting from the enforcement of the Security (other than the Credit Facility).

(b) The Trustee shall deposit into the Credit Facility Account all moneys received by the Trustee from a drawing under the Credit Facility (other than a drawing to pay the Purchase Price of Bonds, the proceeds of which shall be deposited into the Purchase Fund as provided in Section 603 hereof).

(c) The Trustee shall deposit into the Surplus Bond Proceeds Account:

(i) all moneys transferred from the Project Fund; and

(ii) any amounts required to be deposited in the Bond Fund pursuant to Article VII of the Agreement.

The Trustee will withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable, only in the following order of payment:

- (1) From the Credit Facility Account, payments received under the Credit Facility;
- (2) Available Moneys in the General Account; and
- (3) Any other funds available therefor.

Except as provided herein and in Section 604 hereof, moneys in the Bond Fund shall be used solely for the payment of the interest on the Bonds and for the payment of principal and premium, if any, of the Bonds upon maturity, acceleration, mandatory redemption, extraordinary

optional or optional redemption or purchase on the open market. Moneys held in the General Account for payment of matured or redeemed Bonds which have not been presented for payment, as described in Section 115, and moneys held in the Credit Facility Account at any time shall not be invested. Moneys held in the Surplus Bond Proceeds Account shall be used solely to redeem Bonds available to be redeemed in accordance with Sections 401(f) and 402 hereof on the next date for which notice of redemption can be given. Except as hereinafter provided, all Loan Repayments and moneys transferred to the Bond Fund pursuant to (a)(ii) above received by the Trustee shall be held for not less than a sufficient period of time to constitute Available Moneys in the General Account and, upon becoming Available Moneys, they shall be used as set forth herein. The Issuer and Trustee shall at the written direction of the Obligor use moneys in the Bond Fund representing prepaid Loan Repayments under the Agreement which are Available Moneys to redeem Bonds in the manner and amount as directed, subject to the provisions for redemption of Bonds contained in the Bonds and in the Indenture, or to purchase Bonds on the open market.

Upon the acceleration of the maturity of the Bonds pursuant to Section 801 hereof, all moneys held in the Bond Fund shall be applied as provided in Section 806 of this Indenture.

So long as the Credit Facility is in effect, moneys sufficient to pay the principal of and interest on the Bonds on each Interest Payment Date shall be drawn by the Trustee from the Bank pursuant to the Credit Facility by presentment of the draft under the Credit Facility in an amount and at times sufficient to pay principal of, premium, if any, to the extent the Credit Facility covers premium, if any, and interest due on the Bonds on such Interest Payment Date in accordance with Section 209 hereof. To the extent the Credit Facility does not cover premium on the Bonds, the Obligor is obligated to pay the premium, if any, and the Trustee shall use such moneys to pay premium.

Available Moneys held by the Trustee (other than Credit Facility proceeds required to make the payments described in the preceding paragraph) shall be used first to reimburse the Bank to the extent the Bank has honored a drawing under the Credit Facility, and then to pay principal of, premium, if any, and interest on the Bonds when due. If there are insufficient Available Moneys to reimburse the Bank to the extent the Bank has honored a drawing under the Credit Facility, then the Trustee shall use any other funds available in the General Account of the Bond Fund. Moneys drawn under the Credit Facility shall be applied only to the payment of principal of, premium to the extent the Credit Facility covers premium, if any, Purchase Price of and interest on the Bonds.

Section 603. Establishment and Use of Purchase Fund. The Purchase Fund shall be established with the Trustee, as a separate fund not pledged for the payment of the Bonds, but held by the Trustee solely for the purpose of paying the Purchase Price of Bonds tendered on a Purchase Date, a Substitution Date, the Conversion Date or a proposed Conversion Date. Moneys in the Purchase Fund shall be derived first from the proceeds of remarketing by the Remarketing Agent of Bonds thus tendered (other than any remarketing to the Obligor or the Issuer or to any insider or affiliate of either of them within the meaning of the United States

Bankruptcy Code) or, upon failure of the Remarketing Agent to remarket any such Bond or Bonds, from proceeds of a drawing under the Credit Facility to pay for such Bonds. Moneys held in the Purchase Fund shall not be invested.

Section 604. Repayment to the Obligor from the Funds. Any amounts remaining in the Bond Fund, the Project Fund or the Purchase Fund after discharge of the lien of this Indenture as provided in Section 304 of this Indenture and payment of all amounts owed by the Obligor to the Bank pursuant to the Reimbursement Agreement shall be transferred to the Obligor.

Notwithstanding anything in this Indenture to the contrary, the Trustee shall pay to the Bank any amount authorized or required to be paid by the Trustee to the Obligor, unless the Trustee has received written notice that the Bank has been paid all amounts due the Bank under the Reimbursement Agreement.

Section 605. Moneys to be Held in Trust. Except where moneys have been deposited with or paid to the Trustee pursuant to an instrument restricting their application to particular Bonds, all moneys required or permitted to be deposited with or paid to the Trustee under any provision of this Indenture or the Agreement, and to be used to pay principal of or interest on the Bonds, and any investments thereof, shall be held by the Trustee in trust. Except for (i) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which shall have been duly given, (ii) moneys held by the Trustee pursuant to Section 606 hereof, and (iii) moneys held in the Rebate Fund, all moneys described in the preceding sentence held by the Trustee shall be subject to the lien hereof while so held.

Section 606. Nonpresentment of Bonds. In the event that any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, either at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal and premium, if any, then due on that Bond or to pay such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the Issuer to that Holder for such payment of the principal and premium, if any, then due on the Bond or interest on such Bond represented by such check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys, without liability for interest thereon, in a separate account in the Bond Fund for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under this Indenture or on, or with respect to, the principal and premium, if any, then due on that Bond or interest on such Bond represented by such check or draft.

Any of those moneys which shall be so held by the Trustee, and which remain unclaimed by the Holder of a Bond not presented for payment or check or draft not cashed for a period of three years after the due date thereof, shall, subject to any applicable provisions of Title 6 of the Texas Property Code relating to unclaimed property, be paid to the Obligor. Thereafter, the Holder of that Bond shall look only to the Obligor for payment and then only to the amounts so

received by the Obligor or paid to or on behalf of the Obligor, without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

ARTICLE VII

INVESTMENT OF FUNDS

Section 701. Investment of Project Fund and Bond Fund. Any moneys held as part of the Project Fund shall be invested or reinvested by the Trustee in Permitted Investments in accordance with written directions of the Obligor or at the facsimile direction of the Obligor promptly confirmed in writing. Any of those investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association affiliated with the Trustee. Such investments shall mature not later than the respective dates estimated by the Obligor when the moneys in said Project Fund shall be needed for the purposes provided in the Agreement and the Indenture, but should the cash balance in the Fund be insufficient for such a purpose, the Trustee is authorized to sell the necessary portion of such investments to meet that purpose. Moneys, if any, held in the General Account and the Surplus Bond Proceeds Account of the Bond Fund shall be invested at the direction of the Obligor acting on behalf of the Issuer in obligations of the United States, or shall not be invested. Moneys held in the Credit Facility Account of the Bond Fund shall not be invested. The Trustee may make investments permitted by Article VII through or from its own bond department or trust investments department, or its parent's or affiliate's bond department or trust investments department.

The Obligor acknowledges that regulations of the Comptroller of the Currency grant the Obligor the right to receive brokerage confirmations of the security transactions as they occur. The Obligor specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements which will detail all investment transactions.

Except as otherwise provided hereunder or agreed in writing among the parties hereto, the Obligor shall retain the authority to institute, participate and join in any plan of reorganization, readjustment, merger or consolidation with respect to the issuer of any securities held hereunder, and, in general, to exercise each and every other power or right with respect to each such asset or investment as individuals generally have and enjoy with respect to their own assets and investments, including power to vote upon any securities.

Section 702. Arbitrage Bond Covenant. The Issuer hereby covenants with the Bondholders that, subject to the Obligor's directions as to investment of funds, it will make no intentional use of the proceeds of the Bonds, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the applicable regulations thereunder, which could cause the Bonds to be "arbitrage bonds" within the meaning of such Section and such regulations. The Trustee covenants that, while recognizing that investment of Bond proceeds will be at the written direction of the Obligor, should the Issuer file with the Trustee, or should the Trustee receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become

"arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer or Bond Counsel regarding such investment or use so as to prevent the Bonds from becoming "arbitrage bonds."

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE

Section 801. Events of Default; Acceleration. Any of the following events shall constitute an "Event of Default":

(a) Default in the due and punctual payment of the interest on or principal of, premium on, or redemption or Purchase Price of any Bond, whether at the stated maturity thereof or upon proceedings for redemption thereof, or upon the maturity thereof by acceleration or otherwise or on the Conversion Date, proposed Conversion Date, Substitution Date or Purchase Date;

(b) Default in the performance or observance of any other obligation or condition on the part of the Issuer contained in this Indenture or the Bonds, and the continuance thereof for a period of 30 days after written notice given to the Obligor and the Issuer by the Trustee or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding, except that if such default cannot be corrected within such period, it shall not constitute an Event of Default if in the judgment of the Trustee in reliance upon an opinion of Counsel and with the consent of the Bank the default is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Issuer within such period and diligently pursued until the default is corrected;

(c) Occurrence of an Event of Default (as defined in the Agreement) under the Agreement;

(d) Receipt by the Trustee of written demand from the Bank directing the Trustee to declare the Bonds immediately due and payable because of the occurrence of an Event of Default under and as defined in the Reimbursement Agreement;

(e) Receipt by the Trustee after a payment under the Credit Facility with respect to interest on the Bonds of written notice from the Bank that the interest portion of the Credit Facility has not been reinstated to an amount equal to 45 days' (or if applicable pursuant to Section 208 hereof, 210 days') interest, calculated at the Maximum Rate or Fixed Rate or Fixed Rates, as applicable.

(f) The Bank shall (i) fail to be open for the transaction of its general business on any day other than a day on which such institutions in the city in which such Bank is located are authorized or obligated to close by applicable law absent extenuating circumstances of a

nonfinancial nature; or (ii) commence a proceeding under any federal or state insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; or (iii) have a receiver, liquidator or trustee appointed for it or for the whole or substantially all of its property. The declaration of an Event of Default under this subsection (f) and the exercise of remedies upon any such declaration shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings; or

(g) Wrongful dishonor by the Bank of a draft drawn under the Credit Facility by the Trustee.

The Trustee shall, at the direction of the Bank, upon the occurrence of an Event of Default under paragraphs (b) or (c) above, declare the principal of and accrued interest on all outstanding Bonds immediately due and payable. The Trustee shall, upon the occurrence of an Event of Default under paragraphs (a), (d), (e), (f) or (g) above, declare the principal of and accrued interest on all outstanding Bonds to be due and payable immediately. The Trustee shall simultaneously with any such declaration give written notice of any such declaration to the Issuer, the Remarketing Agent, the Obligor, the Bank and the Bondholders. Such notice shall specify the date on which payment of principal and interest shall be tendered to the Bondholders, which date, so long as funds are available to the Trustee therefor, shall not be later than 5 days after the Event of Default resulting in such declaration. Interest on the Bonds will accrue to the date of declaration of acceleration.

Upon any declaration of acceleration of maturity of principal and interest on the Bonds under this Indenture, the Trustee shall promptly exercise such rights as it may have under the Agreement to declare all payments thereunder to be immediately due and payable, shall transfer any moneys in the Project Fund to the Bond Fund and shall draw upon the Credit Facility in accordance with Section 209 hereof, to the full extent permitted by the terms thereof.

If for any reason the Credit Facility is not in full force and effect, or if the Bank has failed to pay or has been prevented from paying a draft drawn under the Credit Facility which complies with the terms of the Credit Facility, or if the Bank in writing has repudiated its obligations under the Credit Facility, or if the Bank shall no longer exist or shall become insolvent or if a receiver is appointed for it or its property or affairs, then upon an occurrence of an event specified in Section 801(b) or (c) the Trustee shall give written notice thereof to the Obligor and the Holders of all Outstanding Bonds, and may declare the principal of and accrued interest on all Outstanding Bonds immediately due and payable by written notice thereof to the Obligor and the Issuer, and shall declare the principal of and accrued interest on all Outstanding Bonds immediately due and payable if Holders of not less than 25% of the principal amount of outstanding Bonds give written notice of such event to the Trustee, the Obligor and the Issuer.

Section 802. Annulment of Declaration of Maturity of Principal and Interest Following Event of Default. If, (a) after the principal of the Bonds has been so declared to be due and payable by reason of an Event of Default, (i) all arrears of interest and interest on overdue installments of interest (if lawful) at the rate or rates per annum borne by the Bonds, (ii) the principal of and premium, if any, on all the Bonds then outstanding which shall have become due and payable, and (iii) all other sums payable under this Indenture, except the principal of and interest on the Bonds which by such declaration shall have become due and payable, are paid or amounts available therefor in the Bond Fund are sufficient therefor (provided such moneys are Available Moneys), (b) there are performed all other things in respect to which there may have been a default hereunder, (c) payment has been made of the reasonable fees, costs and expenses of the Trustee, the Issuer and any trustee appointed under law, including the Trustee's reasonable attorneys' fees, (d) the Trustee has received notice that the Credit Facility has been reinstated or has received a Substitute Credit Facility, and (e) no Event of Default under the Agreement is then continuing, such Event of Default having been either cured or waived, then, in every such case, the Trustee shall, at the request of the Obligor, annul such declaration and its consequences, and such annulment shall be binding upon all holders of Bonds issued hereunder; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon; and provided, that no such annulment shall occur after the final payment has been made to the Bondholders of the principal of and interest on the Bonds. The Trustee shall forward a copy of any such annulment notice pursuant to this paragraph to the Issuer, the Obligor, the Bank and the Bondholders. Notwithstanding anything to the contrary herein, the Trustee shall not have the power to annul a declaration resulting from an Event of Default unless agreed to in writing by the Bank.

Section 803. Obligations of Trustee to Draw Under Credit Facility. Following acceleration of the maturity of the Bonds and prior to exercising any remedy under this Indenture or the Agreement or any other remedy available to the Trustee, the Trustee shall draw under the Credit Facility. If the Bank has honored a draft drawn by the Trustee under the Credit Facility in an amount sufficient to pay the Bonds in full, the Trustee shall accept the direction of the Bank with respect to any right or remedy available to the Trustee (except with respect to the collection of the Trustee's fees, costs and expenses) or the Bondholders under this Indenture.

Notwithstanding any provision in this Indenture other than Section 1201 to the contrary, if there occurs an Event of Default described in Section 801(f) or Section 801(g) (so long as such Event of Default continues) (i) any consents required of the Bank prior to the taking of any action by the Trustee shall no longer be required, (ii) any directions which the Bank may give to the Trustee pursuant to the Agreement or this Indenture shall not be binding on the Trustee and (iii) any consent required of the Bank which does not also require the consent of the Trustee shall only require the consent of the Trustee.

Section 804. Payments by Obligor. If on the Conversion Date, a proposed Conversion Date, a Substitution Date, a Purchase Date or on any date on which the principal or Purchase Price of, premium, if any, and/or interest on any Bond becomes due, there shall not be moneys sufficient to pay the principal, premium, if any, interest or Purchase Price due because of a

failure by the Bank to honor a draft drawn under the Credit Facility in accordance with the terms thereof, the Obligor shall deposit with the Trustee moneys in immediately available funds in an amount equal to the amount of the deficiency.

Section 805. Preservation of Security and Remedies if Draft Drawn Under Credit Facility is not Paid; Rights of Bondholders. Subject always to the provisions of Section 803, and without limiting the mandatory obligations of the Trustee under Section 801 and Section 803, upon the occurrence and during the continuance of any Event of Default, the Trustee shall have the power to, but unless requested in writing by the Holders of at least 25% in aggregate principal amount of the Bonds then outstanding and furnished with reasonable security and indemnity shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the Security under this Indenture by any acts which may be unlawful or in violation of the Indenture and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Subject always to the provisions of Section 803, and without limiting the mandatory obligations of the Trustee under Section 801 upon the occurrence and during the continuance of an Event of Default, the Trustee may proceed to pursue any available remedy to enforce the payment of the principal of and interest on the Bonds then outstanding or observance and performance of any other covenant, agreement or obligation under this Indenture, the Agreement or any other instrument providing security, directly or indirectly, for the Bonds and Additional Bonds, including, without limitation, mandamus or the appointment of a receiver in equity with the power to charge and collect rents, purchase price payments, and loan payments and to apply revenues from the Project in accordance with the terms hereof and the Agreement; further, upon the occurrence and during the continuance of any Event of Default, then and in every case the Trustee may proceed, and upon the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding and furnished with reasonable security and indemnity, shall proceed, to protect and enforce its rights and the rights of the Bondholders under the Act and under this Indenture forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or the Agreement or in aid of the execution of any power granted herein or in the Agreement or in the Act or for the enforcement of any legal or equitable right or remedy, as the Trustee, being advised by Counsel, shall deem most effective to protect and enforce such rights or to perform any of its duties under this Indenture.

Subject always to the provisions of Section 803, no remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) 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 by law.

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 thereon.

Without limiting the mandatory obligations of the Trustee under Section 801, but subject to the provisions of Section 803, the holders of not less than 51% in aggregate principal amount of Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, and after furnishing the Trustee with security and indemnity satisfactory to it, to direct the method 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; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law.

Upon the occurrence and during the continuance of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the payments derived from the sale or leasing of the Project, together with such other powers as the court making such appointments shall confer.

Section 806. Application of Moneys. All moneys received by the Trustee pursuant to any action taken under this Article except moneys received pursuant to drawings under the Credit Facility or moneys held by the Trustee pursuant to Section 115 shall be first applied to the payment of the fees and expenses of the Trustee and second to payment of any moneys, other than Loan Repayments, due and owing the Issuer or the Issuer's Agents under the Agreement. The balance of such moneys, less such amounts as the Trustee shall determine may be needed for use in paying future fees and expenses, shall be deposited by the Trustee in the Bond Fund, provided, however, that all Available Moneys shall be used to pay principal of and interest on the Bonds, prior to the use of other moneys in the Bond Fund, and for no other purpose, and provided further that the proceeds of a draft drawn under the Credit Facility may be applied only to the payment of principal of, premium, if any, to the extent covered by the Credit Facility, and interest on Bonds other than Pledged Bonds. Moneys in the Bond Fund shall be applied as follows:

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

First - To the payment of all installments of interest then due on the Bonds in order of maturity of such installments of interest and, if the amount available

shall not be sufficient to pay in full any particular installment, then to the ratable payment of the amounts due on such installment; and

Second - To the payment of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they became due (at the rate borne by the Bonds to the extent permitted by law) and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the ratable payment of the amounts due on such date.

(b) If the principal of all the Bonds shall have become or been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds outstanding, without preference or priority as between (i) principal or interest, (ii) installments of interest or (iii) Bonds, ratably according to the amounts due respectively for principal and interest to the persons entitled thereto.

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

Whenever moneys are to be applied pursuant to 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 application, the likelihood of additional moneys becoming available for such application in the future, and potential fees, costs and expenses relating to the exercise of any remedy or right conferred on the Trustee by this Indenture. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give 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 unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 807. Termination of Proceedings. In case the Trustee or the Bondholders, as provided herein, shall have proceeded to enforce any right under this Indenture 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, the Obligor, the Bank and the Bondholders shall be restored to their former positions and rights hereunder and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken except as modified by such proceedings.

Section 808. Waivers of Events of Default. To the extent not precluded by this Indenture, the Trustee shall waive any Event of Default, other than an Event of Default described under Section 801(a), (e), (f) or (g) hereof, at the direction of the Bank and annul any declaration of maturity of principal, and in case of any such waiver or rescission, the Issuer, the Obligor, the Bank and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver shall extend to or affect any subsequent or other Event of Default, or impair any right consequent thereon. Furthermore, the Trustee shall waive an Event of Default only if the Credit Facility is in full force and effect and has been reinstated in full. Notwithstanding anything to the contrary herein other than Section 1201, the Trustee shall not waive any Event of Default described under Section 801(b), (c), or (d) unless agreed to in writing by the Bank (which consent may be granted or withheld in the Bank's sole discretion), and no declaration of maturity of principal made by the Trustee at the direction of the holders of 25% or more of the aggregate principal amount of the Bonds then outstanding shall be annulled or the underlying Event of Default waived by the Trustee without the consent of at least 51% of such Bondholders. No such waiver or annulment may be made by the Trustee unless prior to such waiver or annulment all arrears of interest or all arrears of payment of principal then due, as the case may be, together with interest (to the extent permitted by law) on overdue principal and interest, at the applicable rate of interest borne by the Bonds, and all fees, costs and expenses of the Trustee shall have been paid or provided for.

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.

Section 809. Trustee and Issuer Required to Accept Actions and Directions of Obligor and the Bank. The Issuer and Trustee acknowledge that certain actions or failures to act by the Issuer under this Indenture may create or result in an Event of Default under the Indenture and the Issuer hereby agrees that the Obligor or the Bank may perform (but shall not be required to perform) any and all acts or take such action as may be necessary for and on behalf of the Issuer to prevent or correct such Event of Default and the Trustee agrees that it shall take or accept such performance by the Obligor or the Bank as performance by the Issuer in such event.

Whenever after a reasonable request by the Obligor or the Bank, the Issuer shall fail to direct or to require the Trustee to take any other action which the Issuer is required to have the Trustee take pursuant to the Agreement or this Indenture, the Obligor or the Bank instead of the Issuer may so direct or require the Trustee to take any such action, and the Trustee is hereby irrevocably empowered and directed to accept such direction from the Obligor or the Bank as sufficient for all purposes of this Indenture. The Obligor or the Bank shall have the direct right to cause the Trustee to comply with its obligations under the Indenture to the same extent that the Issuer is empowered so to do.

ARTICLE IX

THE TRUSTEE AND THE REMARKETING AGENT

Section 901. Acceptance of Trust and Conditions Thereof. The Trustee hereby agrees to perform the duties assigned to it in this Indenture, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and shall be responsible only for its gross negligence or willful misconduct and no implied covenants or obligations shall be read into this Indenture against it. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall perform its duty to draw on the Credit Facility as specified in this Indenture and the Trustee shall exercise such of the other rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(b) 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, but shall be answerable for the conduct of the same according to the standards specified herein, and shall be entitled to the advice of counsel concerning all matters of trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any Counsel, accountants, engineers, surveyors, architects, or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect of the certificate of the Trustee endorsed on the Bonds), or for the recording, rerecording, filing or refiling of any documents relating to the Security or any financing statements or continuation statements or for insuring the Security or collecting any insurance proceeds, 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 or for the value or title of the property herein conveyed or otherwise as to the maintenance of the Security hereof; but the Trustee may require of the Issuer or the Obligor full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the Project. The Trustee shall have no obligation to perform any of the duties of the Issuer under the Agreement. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 701 or 702 hereof except for the safekeeping of the securities in which said funds are invested and the collection of interest thereon. Except during the continuance of an Event of Default, the Trustee shall be obligated to

perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder after such Bonds shall have been delivered in accordance with instructions of the Issuer. The Trustee may become the owner of the Bonds secured hereby with the same rights which it would have if not Trustee. To the extent permitted by law, such bank or trust company may also receive tenders and purchase in good faith Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon any one or more of the following as sufficient evidence of the facts therein contained: (i) a certificate of the Issuer signed by an officer of the Issuer or any other duly authorized person (such authority to be conclusively evidenced by an appropriate resolution of the Governing Body) or (ii) a certificate signed by the Obligor or (iii) a certificate signed by an authorized officer on behalf of the Bank. Prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice pursuant to the provisions of said subsection (h), the Trustee, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an officer of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall never be construed as a duty. When no Event of Default has occurred or is continuing, the Trustee shall only be responsible for the performance of the express duties outlined herein and it shall not be liable for any action reasonably taken or omitted to be taken by it in good faith or be responsible other than for its own gross negligence or willful default in the performance of those express duties.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder (except in the event of a default under Section 801(a), (d), (e) or (g)) unless the Trustee shall be specifically notified in writing of such Event of Default

by the Bank, the Issuer or by the holders of not less than 25% in principal amount of the Bonds then outstanding, and in the absence of such notice the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(i) The Trustee shall not be individually liable for any debt contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the real and tangible personal property as provided in this Indenture.

(j) At any and all reasonable times upon 3 Business Days' notice the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right to inspect fully any of the Project, all books, papers and records of the Issuer pertaining to the Project, the Credit Facility and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers enumerated herein or otherwise in respect to the premises.

(l) Notwithstanding anything contained elsewhere in this Indenture, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(m) All moneys received by the Trustee or any paying agent shall, until used or applied or invested as provided herein, be held in trust for the purposes of which they were received but need not be segregated from other funds except to the extent required by law or this Indenture.

(n) The Trustee is under no obligation or duty to risk any of its funds or other assets in performing its duties hereunder.

(o) Except for making any draws on the Credit Facility, the Trustee shall not be liable for any action taken hereunder at the direction of the requisite percentage of Bondholders or the Bank, except liability which is adjudicated to have resulted from its own gross negligence or willful default by reason of any action so taken.

(p) If the Trustee receives different or conflicting instructions or directions from more than one group of Bondholders, each of which is provided in accordance with this Indenture, the Trustee shall act in accordance with the instructions or directions provided by the

group of Bondholders representing the largest aggregate principal amount of Bonds then outstanding.

(q) The Trustee shall have no responsibility to examine or review and shall have no liability for the contents of any documents submitted to or delivered to any Bondholder in the nature of an official statement or offering circular, preliminary or final (except to the extent of any description of the Trustee itself or the location of its office).

(r) Absent its receipt of written notification from the Issuer within 10 Business Days following written inquiry to an authorized officer of the Issuer regarding any sums owed to the Issuer and the Issuer's Agents, the Trustee shall be entitled to conclusively presume that there are no sums owing to any such party and shall also be entitled to release any and all funds held hereunder on such date as if such Issuer or Issuer's Agents each had no sums owing to it under the terms of this Indenture.

(s) No provisions of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) This subsection shall not be construed to affect the limitation of the Trustee's duties and obligations which are set forth specifically in this Indenture or the Trustee's right to rely on the truth of statements and the correctness of opinions as provided in Section 901(f) hereof;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of at least a majority in aggregate principal amount of the Bonds then outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture, as provided in Section 805 hereof; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that payment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(t) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 901.

Section 902. Funds to be Held in Trust; Bond Registrar and Trustee. The Trustee shall hold all sums received hereunder in the Project Fund and the Bond Fund as special trust funds for the purposes specified in this Indenture and for the benefit and security of the Holders of the Bonds and, except as provided in Section 701 hereof, shall not be accountable for interest thereon. The Trustee shall be bond registrar and paying agent for principal and interest on the Bonds. The Trustee shall maintain a bond register in which shall be recorded the names and addresses of all of the Holders, from time to time, of the Bonds.

Section 903. Resignation of Trustee. The Trustee may resign by giving not less than 60 days' written notice to the Obligor, the Bank and the Issuer specifying the date when such resignation shall take effect, and such resignation shall take effect upon the date specified in such notice provided a successor trustee has been appointed, unless previously a successor shall have been appointed, as provided in Section 905, in which event such resignation shall take effect immediately on the appointment and acceptance of such successor, provided further that if a successor trustee shall not have been appointed the Trustee may petition a court of competent jurisdiction to appoint a successor trustee.

Section 904. Removal of Trustee. The Trustee shall be removed and a successor Trustee may be appointed at any time by a written instrument or concurrent instruments removing the Trustee and naming a successor Trustee, filed with the Trustee, the Bank, the Issuer and the Obligor, and signed by the Holders of a majority in principal amount of the outstanding Bonds. In addition, as long as the Obligor is not in default under the Agreement, the Obligor, upon 60 days' notice to the Trustee, shall have the right to remove the Trustee and to name a successor acceptable to the Issuer by an instrument in writing filed with the Issuer and the Trustee. The removal of the Trustee shall not become effective until a successor Trustee has been appointed and has accepted such appointment.

Section 905. Appointment of and Transfer to Successor Trustee; Appointment of Co-Trustee. If the Trustee shall resign or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Issuer shall, within 60 days of receipt of notice thereof, appoint a successor Trustee acceptable to the Obligor, provided the Obligor is not in default. At any time, the Trustee may substitute any affiliate, subsidiary, or successor in interest after a merger or consolidation in any and all capacities to which it is appointed hereunder as long as the entity so substituted is qualified to accept such appointment pursuant to all applicable statutory and regulatory requirements, and any requirements contained in this Indenture. The rights, duties and substitution of the Trustee shall be governed by and construed in accordance with the laws of the State. If the Trustee substitutes an affiliate or subsidiary as Trustee or consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another

corporation or other entity entitled to conduct said trustee business under applicable law ("successor"), the successor without any further act shall be the successor of the Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

If at any time during the term of the Credit Facility a successor Trustee shall be appointed and qualified under this Indenture and the Credit Facility is not transferable to the successor Trustee, the resigning Trustee shall request from the Bank a new Credit Facility identical to the prior Credit Facility but addressed to and running in favor of the successor Trustee for the benefit of the holders of the Bonds, and the resigning Trustee shall continue to serve as Trustee hereunder until such time as the new Credit Facility is delivered to the successor Trustee. If the resigning Trustee fails to make this request, the successor Trustee shall do so before accepting its appointment. Upon issuance of the new Credit Facility to the successor Trustee, the prior Credit Facility shall be returned and canceled, and the new Credit Facility shall thereafter be subject to all of the provisions hereunder relating to the Credit Facility and shall be deemed for all purposes hereunder the Credit Facility.

If the Trustee deems it reasonable and necessary to appoint a Co-Trustee to assist in the exercise of the powers and duties hereunder, such a trustee as may be acceptable to the Bank may be appointed by the Trustee. Any successor Trustee or Co-Trustee shall be a trust company or bank authorized to exercise trust powers in good standing, within (in the case of a Co-Trustee) or outside the State, acceptable to the Obligor, provided the Obligor is not in default, and having total reported capital funds of not less than \$40,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable and customary terms.

Any successor Trustee or Co-Trustee appointed hereunder shall execute and deliver to its predecessor, the Issuer and the Obligor an instrument in writing accepting such appointment and thereupon shall become fully vested with all the powers and duties under this Indenture. The Trustee, if it ceases to act as Trustee, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the trusts, powers and duties under this Indenture and any property held by it under this Indenture and shall, after all amounts owing to the Trustee have been paid in full, pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth.

Section 906. Instruments of Bondholders. Any instrument required by this Indenture to be executed by the Bondholders may be in any number of writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent by means of a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof shall be sufficient for any of the purposes of this Indenture.

Section 907. Indemnification to Trustee. Before taking any action within the scope of this Indenture, the Trustee may require from the party requesting such action that a satisfactory indemnity bond or reasonable assurance be furnished for the reimbursement of all fees, costs and expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from a breach of its obligations under the Indenture by reason of any action so taken; provided, however, that this Section shall not apply with respect to any action required to be taken by the Trustee hereunder in connection with any drawing under the Credit Facility, including any actions which are conditions precedent to a drawing on the Credit Facility, the making of any payment to Bondholders, effecting any mandatory tender or redemption of Bonds hereunder or declaring an acceleration of maturity of principal and interest on the Bonds.

Section 908. Compensation. The Obligor shall pay to the Trustee reasonable compensation for all services rendered by it hereunder and all advances, Counsel fees and other expenses reasonably made or incurred hereunder. In default of such payment by the Obligor, the Trustee may deduct such payments from any moneys coming into its hands (except proceeds from a drawing on the Credit Facility, proceeds held in the Bond Fund representing moneys which are set aside for the payment of Bonds which are already due and payable but which Bonds have not yet been presented for payment and moneys on deposit in the Purchase Fund) and shall be entitled to a preference in payment over any of the Bonds Outstanding hereunder. When the Trustee incurs expenses or renders services after the occurrence of an Act of Bankruptcy with respect to the Issuer or the Obligor, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 909. Advances to Cure Defaults. If the Issuer shall fail to perform any of the covenants or agreements contained in this Indenture, the Trustee may, in its uncontrolled discretion and without notice to the Holders, at any time and from time to time, make advances to effect performance of the same on behalf of the Issuer, but the Trustee shall be under no obligation to do so; and any and all moneys paid or advanced by the Trustee for any such purpose, together with interest thereon at the rate of interest announced publicly by the bank serving as Trustee from time to time as its "prime" or "base" rate, plus three percent (3%), but not in excess of the maximum per annum rate allowed by law, shall be repaid (but only from the Security but not from proceeds of a draw on the Credit Facility) by the Issuer immediately upon demand therefor, and until such payment by the Issuer shall be a lien in favor of the Trustee upon the Security, but not from proceeds of a draw on the Credit Facility; but no such advance shall operate to relieve the Issuer from any default hereunder.

Section 910. Construction of Indenture. The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provisions hereof; and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Holders.

Section 911. Remarketing Agent. The Issuer, at the request of the Obligor, hereby appoints Comerica Securities as initial Remarketing Agent to act in connection with the remarketing of Bonds as provided in this Indenture. The Obligor shall appoint any successor Remarketing Agent subject to the conditions set forth in this Section 911. The Remarketing Agent shall enter into the Remarketing Agreement accepting its duties and obligations hereunder, copies of which shall be delivered to the Trustee, and shall designate its principal office to the Issuer and the Trustee in said Remarketing Agreement or by separate written instrument delivered to such parties.

Any successor Remarketing Agent must be an institution acceptable to the Bank and rated at least "Baa3" by Moody's (or Moody's shall have provided written evidence that such successor Remarketing Agent is otherwise acceptable to Moody's) if the Bonds are then rated by Moody's and at least "BBB-" or "A-3" by S&P (or S&P shall have provided written evidence that such successor Remarketing Agent is otherwise acceptable to S&P) if the Bonds are then rated by S&P, and authorized by law to undertake and perform all the duties imposed upon it by this Indenture.

The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice to the Issuer, the Bank, the Obligor and the Trustee. The Remarketing Agent may be removed at any time at the direction of the Obligor by an instrument signed by the Obligor and filed at least 30 days prior to such removal with the Remarketing Agent, the Bank, the Issuer and the Trustee. No removal or resignation hereunder shall become effective prior to the acceptance of appointment of a successor Remarketing Agent hereunder.

In the event that the Obligor shall fail to appoint a Remarketing Agent hereunder, or in the event that the Remarketing Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Obligor shall not have appointed its successor as Remarketing Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section, shall ipso facto be deemed to be the Remarketing Agent for all purposes of this Indenture until the appointment by the Obligor of the Remarketing Agent or successor Remarketing Agent, as the case may be; provided, however, that the Trustee, in its capacity as Remarketing Agent, shall not be required to remarket Bonds or to determine the interest rate on the Bonds except in the manner provided herein as appropriate.

By virtue of accepting appointment as such, the Remarketing Agent shall agree to comply with all federal and state securities laws in remarketing the Bonds. The Trustee has no obligation to supervise or monitor such compliance.

Section 912. Trustee as Tender Agent. Pursuant to Section 2.5 of the Agreement, the Issuer hereby appoints the Trustee to act as tender agent in connection with tenders of Variable Rate Bonds. The Trustee shall act as tender agent for the Obligor. The Trustee hereby agrees to

act as tender agent only upon the terms and conditions set forth in this Indenture. It is understood and agreed by the Issuer and the Trustee that the Issuer has obtained the Trustee's agreement to act as tender agent pursuant to the Issuer's agreement to do so in the Agreement and that the Obligor and the Bank shall be beneficiaries of such agreement. It is further recognized, however, that provision for such tender agent will also benefit the Bondholders. Consequently, it is agreed that the Trustee's obligations as tender agent shall be enforceable by either the Obligor or the Bank, as the case may be. Nothing herein, however, shall be construed as a requirement that the Trustee prepare any form of notice to be provided hereunder.

Section 913. Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law (the USA Patriot Act, the "Patriot Act") requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify such entity's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation. The Issuer hereby agrees and the Obligor agrees in the Loan Agreement to cooperate with the Trustee by providing all such information requested by the Trustee in order to allow the Trustee to comply with the Patriot Act.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may without consent of or notice to any of the Bondholders but with the consent of the Obligor and the Bank (which consent may be granted or withheld in the Bank's sole discretion) enter into a supplemental indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Indenture;
- (ii) To grant to or confer upon the Trustee, with its consent 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 Trustee;
- (iii) To grant or pledge any additional security to the Trustee for the benefit of the Bondholders;
- (iv) To modify, amend or supplement this Indenture or any indenture supplemental thereto in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States;

(v) To make any change requested by the Rating Agencies necessary to obtain, maintain or improve the rating on the Bonds, except for changes requiring 100% consent of the Holders under Section 1002 hereof;

(vi) To provide for the issuance of Additional Bonds under Section 112 of this Indenture; and

(vii) To make any other change which, in the judgment of the Trustee acting in reliance upon an opinion of Counsel, is not to the prejudice of the Trustee or holders of the Bonds;

(viii) To change the Maximum Rate applicable to Variable Rate Bonds; and

(ix) To make changes necessary to facilitate the conversion of the Bonds to the Daily Rate, the Weekly Rate or the Fixed Rate.

Section 1002. Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of supplemental indentures covered by Section 1001, the Bank and the Holders of not less than a majority of the principal amount of outstanding Bonds shall have the right to consent to and approve the execution by the Issuer and the Trustee of other supplemental indentures; provided, however, that nothing contained in this Section shall permit (i) an extension of the maturity of the principal of or the interest on any Bond issued hereunder, (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iv) amendment of Articles X or XI hereof, or (v) changes to the Indenture which would change the requirements of the Credit Facility or Substitute Credit Facility while the Bonds bear interest as Fixed Rate Bonds except upon the written consent of the Bank, the Obligor and the Holders of 100% of the principal amount of Bonds Outstanding.

The Trustee shall give written notice of the proposed execution of a supplemental indenture by mail to the Obligor and the last known holders of the outstanding Bonds then shown on the bond register. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by Bondholders. If, within 60 days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the Holders of not less than a majority, or 100% if applicable, of the principal amount of the Bonds outstanding by instruments filed with the Trustee shall have consented to the adoption thereof, such supplemental indenture may be executed and the Indenture shall be deemed to be modified and amended in accordance herewith.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article X which affects any rights of the Obligor or of the Bank shall not become effective unless and until the Obligor, so long as an Event of Default under this Indenture has not been

caused by the Obligor which is continuing at the time, or the Bank, as applicable, shall have consented to the adoption of such supplemental indenture.

ARTICLE XI

AMENDMENT OF AGREEMENT AND CREDIT FACILITY

Section 1101. Amendments to Agreement and Credit Facility Not Requiring Consent of Bondholders. The Issuer and the Trustee, without the consent of or notice to the Bondholders but with the prior written consent of the Bank (which consent may be granted or withheld in the Bank's sole discretion) and the Obligor, may consent to any amendment of the Agreement and the Credit Facility as may be required (i) by the provisions of the Agreement, the Credit Facility or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission which in the judgment of the Trustee acting in reliance upon opinion of Counsel, is not prejudicial to the rights of the Bondholders or the Trustee, (iii) to grant or pledge to the Trustee for the benefit of the Bondholders any additional security, (iv) to make any change requested by the Rating Agencies necessary to obtain, maintain or improve the rating on the Bonds, or (v) in connection with any other change therein which, in the judgment of the Trustee acting in reliance upon an opinion of Counsel, is not to the prejudice of the Trustee or the holders of the Bonds.

Section 1102. Amendments to Agreement and Credit Facility Requiring Consent of Bondholders. Except for amendments to the Agreement and the Credit Facility covered by Section 1101 hereof, neither the Issuer nor the Trustee shall consent to any other amendment of the Agreement or to any amendment of the Credit Facility without written notice to the Holders of the Bonds and written approval or consent of the Bank (which consent may be granted or withheld in the Bank's sole discretion) and the Obligor and the Holders of not less than a majority in the aggregate principal amount of the Bonds at the time outstanding given and procured as herein provided. If at any time the Issuer and the Obligor shall request the consent of the Trustee to any such proposed amendment of the Agreement or the Credit Facility, the Trustee shall, upon being satisfactorily indemnified with respect to fees, costs and expenses, cause notice of such proposed amendment to be given in the same manner as provided herein with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment and shall state that copies of the instrument embodying the same are on file at the designated 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 mailing of such notice, the Holders of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of execution of any such amendment of the Agreement or the Credit Facility 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 Obligor or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment of the Agreement or the Credit Facility in this Section 1102 permitted and provided and which shall

have been agreed to in writing by the Bank and the Obligor, the Agreement or the Credit Facility shall be deemed to be amended in accordance therewith.

ARTICLE XII

MISCELLANEOUS INDENTURE PROVISIONS

Section 1201. Rights of the Bank. Anything contained in this Indenture to the contrary notwithstanding, all rights of the Bank to give consents or approvals, to direct actions, or otherwise exercise any rights or authority under this Indenture or the Agreement, shall be suspended if the Bank wrongfully dishonors a draft drawn under the Credit Facility, or the Credit Facility is for any reason unavailable to the Trustee for the benefit of the Holders of the Bonds other than its expiration in accordance with its terms.

Section 1202. Limitation of Rights. This Indenture shall be for the sole and exclusive benefit of the Bondholders, the Trustee, the Issuer, the Bank and the Obligor. With the exception of rights herein expressly conferred, nothing expressed in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Bondholders, the Bank and the Obligor any legal or equitable right, remedy or claim under or in respect to this Indenture.

Section 1203. Severability. If any provision of this Indenture is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

The invalidity of any portion of this Indenture shall not affect any or all of the remaining portions of this Indenture.

Section 1204. Notices. All notices or other communications hereunder shall be sufficiently given and shall be deemed given on the date shown as delivered when mailed by registered or certified mail, postage prepaid, return receipt requested addressed to the Issuer, the Trustee, the Bank, the Remarketing Agent and the Obligor, as the case may be, at the Issuer's Address, the Trustee's Address, the Bank's Address, the Remarketing Agent's Address and the Obligor's Address, respectively, or when personally served to the above at its respective addresses. A duplicate copy of each such notice or other communication given hereunder to the Issuer, the Trustee, the Remarketing Agent, the Bank and the Obligor, as the case may be, shall also be given to the others. The Issuer, the Trustee, the Remarketing Agent, the Bank and the Obligor, as the case may be, may by notice given hereunder designate any further or different addresses to which subsequent notices or other communications hereunder shall be sent.

In circumstances in which a telecommunicated notice is required, until otherwise directed by the party to which notice is to be given, the following telecopier number shall be used:

<u>PARTY</u>	<u>TELECOPIER</u>
Issuer	(512) 943-1662
Trustee	(713) 235-9213
Bank	(214) 589-1360
Obligor	(972) 931-9305
Remarketing Agent	(313) 222-9002

Except as otherwise provided herein, all notices required to be given hereunder to the Bondholders shall be given in writing by first class mail, postage prepaid, to the addresses shown on the registration books kept by the Trustee.

The Trustee shall provide to each registered owner of Bonds a copy of any amendment or supplement to this Indenture, the Agreement or the Credit Facility.

The Trustee shall also give notice to whichever of Fitch, Moody's and/or S&P is then rating the Bonds of (i) any notice given to holders of the Bonds by the Trustee, and (ii) any of the following occurrences:

- (a) A change in the Trustee or Remarketing Agent;
- (b) Amendments or supplements to the Indenture, the Agreement or the Credit Facility;
- (c) Substitution, termination or expiration of the Credit Facility;
- (d) Payment in full of the Bonds; or
- (e) Conversion of the Bonds from Variable Rate Bonds to Fixed Rate Bonds.

So long as Fitch is rating the Bonds, notice to Fitch may be given by electronic correspondence to msf.surveillance@fitchratings.com.

Section 1205. Notice to Office of Governor-Economic Development and Tourism Division. If the Obligor fails to timely make or pay any Loan Repayment, or if the Trustee is notified by the Internal Revenue Service that the interest on the Bonds is, or may be, subject to

federal income taxation, the Trustee promptly shall inform the Division of such an occurrence, by sending written notice to the Division at the following address:

Office of the Governor - Economic Development and Tourism Division
Attention: Executive Director
P.O. Box 12428
Austin, Texas 78711

Section 1206. Consents Under this Indenture. Unless otherwise expressly provided, all consents permitted or required to be given under this Indenture by the Issuer, the Obligor and the Trustee shall be reasonable and shall not be unreasonably withheld.

Section 1207. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

Section 1208. 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 1209. Governing Law. This Indenture shall be construed under the laws of the State.

[THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK.
SIGNATURE PAGE TO FOLLOW.]

Trust Indenture
Signature Page

IN WITNESS WHEREOF, the parties hereto have executed this Indenture as of the Execution Date and effective as of June 30, 2009.

SAN GABRIEL INDUSTRIAL DEVELOPMENT
CORPORATION, as Issuer

By: _____

Its: _____
Authorized San Gabriel Industrial
Development Corporation Officer

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Its: _____
Vice President

EXHIBIT A

BOND FORMS APPENDIX [FORM OF VARIABLE RATE BOND]

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

No: R-1

\$8,000,000
UNITED STATES OF AMERICA
STATE OF TEXAS
SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION
VARIABLE RATE DEMAND
REVENUE BOND, SERIES 2009
(AIRBORN, INC. PROJECT)

<u>Interest</u> <u>Rate</u>	<u>Date of</u> <u>Maturity</u>	<u>Date of</u> <u>Original Issue</u>	<u>CUSIP</u>
Variable	June 1, 2029	June 30, 2009	_____

Registered Owner: CEDE & CO.

Principal Amount: EIGHT MILLION DOLLARS AND NO CENTS
(\$8,000,000)

The San Gabriel Industrial Development Corporation (the "Issuer") for value received hereby promises to pay from the source and, as hereinafter provided, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Date of

Maturity specified above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association or its successor (the "Trustee"), and to pay interest on the unpaid principal balance hereof at the applicable Variable Rate per annum (as hereinafter defined) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid. Interest shall be computed on the basis of a year of 365 or 366 days, as applicable, and the actual number of days elapsed. Interest shall be payable on the first Business Day of each month, commencing August 1, 2009, by check or draft mailed by the Trustee to the person or entity which is, as of the Record Date (as hereinafter defined) the registered owner as shown in the registration books of the Issuer maintained by the Trustee as the registered owner of this bond; provided, that if a registered owner owns Variable Rate Bonds (as hereinafter defined) in an aggregate principal amount of \$500,000 or more, such registered owner may, by written request to the Trustee made at least 5 days prior to a Record Date, request that payment of interest be made by wire transfer to the domestic bank account designated in the request.

This bond is one of an authorized series of bonds issued in the aggregate principal amount of \$8,000,000 (the "Bonds"), for the purpose of making a loan (the "Loan") of the full principal amount of the Bonds to AirBorn, Inc., a Texas corporation, (the "Obligor"), in accordance with the Loan Agreement between the Obligor and the Issuer, dated as of June 1, 2009 (the "Loan Agreement"), to enable the Obligor to acquire land, construct and equip a new manufacturing facility thereon (the "Project") in the City of Georgetown, Williamson County, Texas, and to pay necessary expenses incidental thereto and to the issuance of the Bonds, thereby alleviating unemployment while also assisting and retaining local industries and strengthening and revitalizing the Texas economy in general.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Texas (the "State"), particularly the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), and pursuant to a resolution of the Board of the Issuer (the "Resolution"). The Bonds and the premium, if any, and interest thereon shall never constitute a debt or indebtedness of the State or the Issuer within the meaning of any constitutional or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against the credit, funds or assets of the State or the general credit of the Issuer or the taxing powers of the State, but shall be a limited obligation of the Issuer payable solely from and secured solely by the "Security," all as defined and provided in the Resolution and the Trust Indenture (the "Indenture"), dated as of June 1, 2009, from the Issuer to the Trustee for the equal and ratable benefit of the registered owners of the Bonds. The Issuer has no taxing power.

Under the Loan Agreement, the Obligor is obligated to repay the Loan by making payments at such times and in such amounts (the "Loan Repayments") as shall be required to pay the principal of, premium, if any, and interest on the Bonds as the same become due.

As security for the Loan Repayments payable by the Obligor under the Loan Agreement, the Obligor has caused to be delivered to the Trustee an irrevocable letter of credit (the "Credit Facility") of Comerica Bank (the "Bank"). The Trustee is instructed in the Indenture to draw

under the Credit Facility up to the sum of (a) the principal amount of the Bonds (i) to enable the Trustee to pay the principal amount of the Bonds when due at maturity, by acceleration of maturity or otherwise or upon redemption or (ii) to enable the Trustee to pay the portion of the Purchase Price (as defined below) of Bonds delivered to the Trustee and not remarketed by Comerica Securities, as Remarketing Agent (the "Remarketing Agent"), equal to the principal amount of such Bonds, plus (b) an amount equal to 45 days' (or if required pursuant to Section 208 of the Indenture, 210 days') interest on the Bonds calculated at the Maximum Rate (as defined in the Indenture) to enable the Trustee to pay interest on the Bonds, plus (c) premium, if any, on the Bonds, only if the Bank has increased the stated amount of the Credit Facility to include such premium. The Credit Facility expires no later than _____.

To provide for the issuance of the Credit Facility, the Obligor has entered into a Reimbursement Agreement dated as of June 1, 2009 (the "Reimbursement Agreement") with the Bank pursuant to which the Obligor is obligated to reimburse the Bank for all drawings made under the Credit Facility.

The Security includes the Credit Facility and a security interest in the Loan Agreement and the Loan Repayments and in any other moneys held by the Trustee under the Indenture. Under the terms of the Indenture, the Obligor has the right to provide a Substitute Credit Facility.

The Indenture, the Loan Agreement and the Credit Facility are on file with the Trustee at the designated corporate trust office of the Trustee. Reference is hereby made to the Indenture, the Loan Agreement and the Credit Facility for definitions of capitalized terms not defined herein, and for a description of the Security and for the provisions, among others, with respect to the rights, duties and obligations of the Issuer, the Obligor, the Trustee, the Remarketing Agent, the Bank and the registered owners of the Bonds, and the terms upon which the Bonds are issued.

I. INTEREST RATES ON BONDS

Prior to the Fixed Rate Conversion Date (as hereinafter defined), the Bonds shall bear interest at a Daily Rate (such Bonds are referred to as "Daily Rate Bonds") or a Weekly Rate (such Bonds are referred to as "Weekly Rate Bonds"). Daily Rate Bonds and Weekly Rate Bonds are collectively referred to as "Variable Rate Bonds." Upon the initial execution and delivery of the Bonds, the Bonds shall be Weekly Rate Bonds.

Weekly Rate Bonds

(a) The Bonds shall bear interest at the Weekly Rate from the date of initial execution and delivery of the Bonds or a subsequent Weekly Rate Conversion Date to and including the earlier of the day preceding its redemption, the succeeding Conversion Date or the Maturity Date. The initial Weekly Rate for the Bonds effective on the initial execution and delivery of the Bonds and on any Weekly Rate Conversion Date shall be established by the Remarketing Agent in accordance with the Indenture.

(b) On each Interest Determination Date with respect to any Weekly Rate Bonds, the Remarketing Agent shall determine the interest rate to be borne on the Weekly Rate Bonds, which rate shall be that rate of interest which is the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary to remarket the Bonds in a secondary market transaction on the next succeeding Weekly Rate Adjustment Date at a price equal to the principal amount thereof plus accrued interest thereon, if any; provided, that the Weekly Rate so determined shall not exceed the Maximum Rate. The Remarketing Agent shall keep a written record of its method of determination of the interest rate to be borne on the Weekly Rate Bonds on each Interest Determination Date. The interest rate determined for Weekly Rate Bonds on any Interest Determination Date shall be effective from and including the immediately succeeding Weekly Rate Adjustment Date to but excluding the next succeeding Weekly Rate Adjustment Date.

(c) On each Interest Determination Date, the Remarketing Agent shall give notice of the Weekly Rate so determined by telephone (promptly confirmed in writing), e-mail or facsimile, to the Obligor, the Trustee and the Bank.

(d) If, by 5:00 p.m. Central prevailing time, on any Interest Determination Date, the Remarketing Agent has failed to determine the Weekly Rate, such Weekly Rate Bonds shall continue to bear interest at the Weekly Rate in effect for the immediately preceding Interest Period.

(e) If the Remarketing Agent notifies the Trustee in writing that for any reason the interest rate on the Variable Rate Bonds cannot be established, or the Trustee is notified in writing by either the Remarketing Agent or the Obligor that the interest rate on the Variable Rate Bonds has been held to be invalid or unenforceable by a court of competent jurisdiction for any period, the interest rate for such period shall be the SIFMA Municipal Index plus 50 basis points (.50%) as of the Interest Determination Date.

Daily Rate Bonds

(a) The Bonds shall bear interest at the Daily Rate from a Daily Rate Conversion Date to and including the earlier of the day preceding its redemption, the succeeding Conversion Date or the Maturity Date. The initial Daily Rate for the Bonds effective on any Daily Rate Conversion Date shall be established by the Remarketing Agent prior to the Daily Rate Conversion Date in accordance with the Indenture.

(b) By 9:30 a.m., Central prevailing time, on each Interest Determination Date with respect to any Daily Rate Bonds, the Remarketing Agent shall determine the interest rate to be borne on the Daily Rate Bonds, which rate shall be that rate of interest which is the minimum rate of interest per annum which, in the opinion of the Remarketing Agent, would be necessary to remarket the Bonds in a secondary market transaction on such Interest Determination Date at a price equal to the principal amount thereof plus accrued interest thereon, if any; provided, that the Daily Rate so determined shall not exceed the Maximum Rate. The Remarketing Agent shall keep a written record of its method of determination of the interest rate to be borne on the Daily Rate Bonds on each Interest Determination Date. The interest rate determined for Daily Rate

Bonds on any Interest Determination Date shall be effective from and including such Interest Determination Date to but excluding the next succeeding Interest Determination Date.

(c) By 9:45 a.m., Central prevailing time, on each Interest Determination Date, the Remarketing Agent shall give notice of the Daily Rate so determined by telephone (promptly confirmed in writing), e-mail or facsimile, to the Obligor, the Trustee and the Bank.

(d) If, by 9:45 a.m. Central prevailing time, on any Interest Determination Date, the Remarketing Agent has failed to determine and give notice of the Daily Rate as provided in paragraphs (b) and (c) above, such Daily Rate Bonds shall continue to bear interest at the Daily Rate in effect for the immediately preceding Interest Period.

(e) If the Remarketing Agent notifies the Trustee in writing that for any reason the interest rate on the Variable Rate Bonds cannot be established, or the Trustee is notified in writing by either the Remarketing Agent or the Obligor that the interest rate on the Variable Rate Bonds has been held to be invalid or unenforceable by a court of competent jurisdiction for any period, the interest rate for such period shall be the SIFMA Municipal Index plus 50 basis points (.50%) as of the Interest Determination Date.

"Authorized Denominations" means a minimum of \$100,000 or integral multiples of \$5,000 in excess thereof.

"Business Day" means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the city in which the corporate trust office of the Trustee (or its bond registrar, paying agent or tender agent offices) designated for payment of the principal, interest and Purchase Price of the Bonds is located or the principal office of the Remarketing Agent is located or the office of the Bank at which action is to be taken to realize moneys under the Credit Facility are required or authorized by law or executive order to be closed, (iv) a day on which the New York Stock Exchange is closed, and (v) a day on which interbank wire transfers cannot be made on the Fedwire System.

"Interest Determination Date" means (a) with respect to Daily Rate Bonds, each Business Day, and (b) with respect to Weekly Rate Bonds, Wednesday of each week (or the next preceding Business Day if Wednesday is not a Business Day).

"Interest Payment Date" means the first Business Day of each month.

"Record Date" means the Business Day prior to any Interest Payment Date.

"SIFMA Municipal Index" means the SIFMA Municipal Swap Index (formerly the Bond Market Association Municipal Swap Index) disseminated by Municipal Market Data, a Thomson Financial Services Company or its successor. In the event that the SIFMA Municipal Index as described in the preceding sentence is not available, then the SIFMA Municipal Index will be a comparable or successor index selected by the Remarketing Agent with the consent of the Obligor.

“Weekly Rate Adjustment Date” means, with respect to a Weekly Rate Bond, Thursday of each week regardless of whether such Thursday is a Business Day.

II. CONVERSION OF INTEREST RATES ON BONDS

Conversion of Bonds Among Weekly Rate and Daily Rate

Prior to the Fixed Rate Conversion Date, the Obligor, on behalf of the Issuer and with the prior written approval of the Bank (which approval shall be governed by the Reimbursement Agreement), may elect to convert all (but not less than all) of the Bonds from the Weekly Rate to the Daily Rate, or from the Daily Rate to the Weekly Rate, in accordance with the provisions set forth below.

(a) To initiate a conversion from the Weekly Rate to the Daily Rate, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank, at least 25 days prior to the Daily Rate Conversion Date, a certificate signed by an Authorized Obligor Representative which specifies: (i) that the Bonds are to be converted to the Daily Rate; and (ii) the Daily Rate Conversion Date (which shall be an Interest Payment Date for the Weekly Rate Bonds). Such Bonds shall be subject to mandatory tender for purchase on the Daily Rate Conversion Date.

(b) To initiate a conversion from the Daily Rate to the Weekly Rate, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank, at least 25 days prior to the Weekly Rate Conversion Date, a certificate signed by an Authorized Obligor Representative which specifies: (i) that the Bonds are to be converted to the Weekly Rate; and (ii) the Weekly Rate Conversion Date (which shall be an Interest Payment Date for the Daily Rate Bonds). Such Bonds shall be subject to mandatory tender for purchase on the Weekly Rate Conversion Date.

(c) Not later than 20 days prior to the Daily Rate Conversion Date or Weekly Rate Conversion Date, as the case may be, the Trustee shall give written notice by registered or certified mail, return receipt requested, to all Holders of the Bonds being converted stating: (i) the Daily Rate Conversion Date or Weekly Rate Conversion Date, as applicable; (ii) that on the Daily Rate Conversion Date or Weekly Rate Conversion Date, the Bonds are subject to mandatory tender for purchase; (iii) that all Holders of such Bonds shall be deemed to have tendered such Bonds for purchase on the Daily Rate Conversion Date or Weekly Rate Conversion Date, as applicable, and such Bonds shall be deemed tendered if not delivered to the Trustee; and (iv) that if for any reason the conversion to the Daily Rate or Weekly Rate does not occur, the Bonds will continue to be subject to mandatory tender for purchase on the proposed Daily Rate Conversion Date or Weekly Rate Conversion Date, as the case may be.

(d) In the event any condition precedent to a conversion of any Bond to the Daily Rate or the Weekly Rate is not fulfilled (including the establishment of a Daily Rate or Weekly Rate by the Remarketing Agent for the initial Interest Period of any Daily Rate Bond or Weekly Rate Bond), the Bonds shall continue to be subject to mandatory tender for purchase, shall not be converted, and shall continue to bear interest at the Weekly Rate or Daily Rate established for such Bonds immediately prior to the proposed Conversion Date (until a new interest rate is established in accordance with the provisions of the Indenture).

Conversion of Bonds to the Fixed Rate

(a) The Obligor, on behalf of the Issuer, with the prior written approval of the Bank (which approval may be granted or withheld in the Bank's sole discretion), and subject to the provisions of Section 208 hereof, may elect to convert all (but not less than all) of the Bonds to the Fixed Rate on any Daily Rate Interest Payment Date or Weekly Rate Interest Payment Date. To initiate such conversion, the Obligor shall deliver to the Issuer, the Trustee, the Remarketing Agent and the Bank at least 45 days prior to the Fixed Rate Conversion Date (i) an opinion of Bond Counsel to the effect that the proposed conversion will not, in and of itself, cause the interest on the Bonds to be includable in gross income of the holders thereof for federal income tax purposes, provided that Bond Counsel may assume that the interest on the Bonds was not includable in gross income for federal income tax purposes to the extent aforesaid immediately prior to the conversion, and (ii) a certificate signed by the Authorized Obligor Representative stating (1) that the Bonds shall be converted to Fixed Rate Bonds, (2) the Fixed Rate Conversion Date, (3) whether the existing Credit Facility or a Substitute Credit Facility shall be in full force and effect, or whether no Credit Facility will be provided, on and after the Fixed Rate Conversion Date and (4) whether in connection with the conversion the Bonds or portions thereof are to mature serially or be subject to mandatory sinking fund redemption subsequent to the Fixed Rate Conversion Date and, if so, specifying the serial maturity or mandatory sinking fund redemption amounts and dates. Following the Fixed Rate Conversion Date, the Bonds shall mature on the Fixed Rate Principal Payment Date in each year in serial maturities or be subject to mandatory sinking fund redemptions beginning on the first Fixed Rate Principal Payment Date occurring more than six months after the Fixed Rate Conversion Date and ending on the Fixed Rate Principal Payment Date occurring immediately prior to the expiration of the Credit Facility then securing the Bonds, or ending on the final maturity date if no Credit Facility is provided following the conversion, in amounts rounded to the nearest minimum Authorized Denomination, so that the annual debt service on the Bonds is approximately equal. The annual serial maturities or mandatory sinking fund redemptions shall be established in amounts as set forth by the Remarketing Agent in a certificate delivered to the Trustee and the Issuer as conforming to the foregoing requirements. In the alternative, Fixed Rate Bonds shall mature in such amounts as shall be approved by the Issuer in a supplemental indenture delivered prior to the Fixed Rate Conversion Date. In addition, the Trustee shall give written notice of the conversion to any Rating Agencies then rating the Bonds.

(b) Not later than 30 days prior to the Fixed Rate Conversion Date, the Trustee shall give written notice by registered or certified mail, return receipt requested, to all Holders of Bonds being converted stating (1) that on the Fixed Rate Conversion Date the Bonds will convert to Fixed Rate Bonds and the rating on the Bonds, if any, upon conversion to a Fixed Rate, (2) that on the Fixed Rate Conversion Date the Bonds will be subject to mandatory tender and purchase, (3) that all Holders of such Bonds shall be deemed to have tendered such Bonds for purchase on the Fixed Rate Conversion Date and such Bonds shall be deemed tendered if not delivered to the Trustee, (4) if the proposed Fixed Rate Conversion Date is also a Substitution Date, the identity of the issuer of the Substitute Credit Facility, and (5) that if for any reason the conversion to a Fixed Rate does not occur, the Bonds will be subject to mandatory tender, be

subject to purchase on the proposed Fixed Rate Conversion Date and will remain Weekly Rate Bonds or Daily Rate Bonds, as the case may be.

(c) If the Trustee receives written notification from the Obligor no later than 12:00 P.M. Central prevailing time, on the eighth day immediately preceding the Fixed Rate Conversion Date of the Obligor's decision not to elect the conversion of the interest rate on the Bonds to the Fixed Rate on the Fixed Rate Conversion Date, the interest rate on the Bonds shall not be converted to the Fixed Rate on the Fixed Rate Conversion Date and the Bonds shall continue to bear interest at the Weekly Rate or the Daily Rate, as the case may be. In such event, all Bonds shall be purchased on the proposed Fixed Rate Conversion Date in accordance with the provisions of Section 202 hereof. Further, the Issuer, the Obligor and the Trustee shall be restored to their former positions and rights hereunder with respect to the Bonds, and all rights of the Issuer, the Trustee and the Obligor hereunder shall continue as if no such proceedings for the conversion of the interest rate on the Bonds had been taken. The Trustee shall promptly notify the Issuer by mail (and shall immediately notify the Bank and the Remarketing Agent by telephone) in the event that the interest rate on the Bonds is not converted on the Fixed Rate Conversion Date as provided herein.

(d) Not earlier than 30 days nor later than the Business Day prior to the Fixed Rate Conversion Date, the Remarketing Agent shall establish the Fixed Rate or Fixed Rates to be applicable to the Bonds from and after the Fixed Rate Conversion Date, which shall be the lower of (1) the Maximum Rate and (2) that rate of interest that is the minimum rate or rates necessary in the judgment of the Remarketing Agent, under the then current market conditions, to remarket the Bonds on the Fixed Rate Conversion Date at a price equal to the principal amount thereof plus accrued interest thereon, if any. If the Remarketing Agent fails to determine the Fixed Rate or Fixed Rates for such Bonds, or a court of competent jurisdiction holds that the interest rate or rates so determined are invalid or unenforceable, the Bonds shall be subject to mandatory tender, shall be purchased on the proposed Fixed Rate Conversion Date and such Bonds shall remain Weekly Rate Bonds or Daily Rate Bonds, as the case may be, and shall bear interest at the rate determined pursuant to Section 110A or 110B of the Indenture, as applicable.

The determination by the Remarketing Agent of the interest rates in accordance with the provisions of the Indenture shall be conclusive and binding upon the registered owners of the Bonds, the Issuer, the Obligor, the Trustee and the Bank.

Any Bond purchased pursuant to the terms of the Indenture from the date the first notice is given by the Trustee to the registered owners as provided above through the Conversion Date (or a Substitution Date, as defined in the Indenture) may not be remarketed except to a buyer to whom the Remarketing Agent has delivered, at the time of such remarketing, a copy of the notice of conversion (or substitution of the Credit Facility) pursuant to the Indenture. On the Conversion Date (or Substitution Date), Bonds purchased from such notice date through such Conversion Date (or Substitution Date) and not remarketed will be purchased at par from proceeds of a drawing under the Credit Facility.

TRANSFER OR EXCHANGE

This Bond may be transferred or exchanged by the registered owner hereof, but only upon the registration books of the Issuer kept by the Trustee, upon the surrender of this Bond, together with a written instrument of transfer or exchange satisfactory to the Trustee duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a Bond or Bonds of any denomination or denominations authorized by the Indenture in the same aggregate principal amount shall be issued to the transferee or registered owner in exchange therefor.

Following such assignment the Trustee may authenticate and deliver a new Bond or Bonds, as appropriate, to the purchaser or purchasers thereof.

THE REGISTERED OWNER OF THIS BOND, BY PURCHASE AND ACCEPTANCE OF THIS BOND, HEREBY IRREVOCABLY APPOINTS THE TRUSTEE AS ITS DULY AUTHORIZED ATTORNEY-IN-FACT FOR THE PURPOSES OF ASSIGNMENT, ENDORSEMENT, CERTIFICATION, EXECUTION OR ACKNOWLEDGEMENT THAT THE REGISTERED OWNER IS HOLDING THIS BOND FOR THE BENEFIT OF THE PURCHASER OR PURCHASERS, REGISTRATION OF TRANSFER AND DELIVERY OF BONDS IN THE EVENT OF A MANDATORY OR OPTIONAL PURCHASE OF THE BONDS. THE TRUSTEE'S POWER OF ATTORNEY HEREUNDER IS COUPLED WITH AN INTEREST. THE TRUSTEE SHALL NOTIFY BY FIRST CLASS MAIL THE REGISTERED OWNER OF AN UNDELIVERED BOND THAT THE TRUSTEE HAS ACTED PURSUANT TO SUCH POWER OF ATTORNEY TO TRANSFER THE UNDELIVERED BOND ON THE APPLICABLE CONVERSION DATE, PROPOSED CONVERSION DATE, SUBSTITUTION DATE OR PURCHASE DATE.

IN THE EVENT OF A MANDATORY OR OPTIONAL PURCHASE, ANY UNDELIVERED BOND (AS DEFINED IN THE INDENTURE) SHALL NO LONGER EVIDENCE THE DEBT OF THE ISSUER, AND THE REGISTERED OWNER THEREOF SHALL BE ENTITLED ONLY TO PAYMENT OF THE PURCHASE PRICE FOR THE UNDELIVERED BOND UPON SURRENDER THEREOF TO THE TRUSTEE FROM THE FUNDS HELD IN THE FUND ESTABLISHED FOR SUCH PURPOSE AND MAINTAINED BY THE TRUSTEE AND SHALL NOT BE ENTITLED TO ANY FURTHER INTEREST THEREON.

The registration and registration of transfer of this Bond is subject to a charge by the Trustee sufficient to cover any governmental tax or fee in connection therewith. Neither the Issuer nor the Trustee shall be required (i) to register, transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption, or (ii) to transfer or exchange any Bonds called for redemption.

Book-Entry System

The Issuer has entered into an agreement with The Depository Trust Company ("DTC") for the purpose of establishing a "Book-Entry System" for the Bonds. Pursuant to such agreement, Bonds will be registered in the name of DTC, or its nominee, for the benefit of other parties ("DTC Participants"), and DTC shall agree to keep accurate records of the DTC Participants, and promptly to transfer funds received by it in payment for the Bonds to appropriate beneficiaries. The ownership interest of each actual purchaser of a Bond will be recorded in the records of the DTC Participant and each such purchaser will receive a written confirmation of the purchase providing details of the Bond acquired. Transfers of ownership will be accomplished by book entries made by DTC and, in turn, by the DTC Participant who will act on behalf of each such purchaser. Under such circumstances, purchasers will not receive certificates representing their ownership interest in the Bonds, except as otherwise specifically provided in the Indenture. The Issuer and the Trustee may treat the registered owner of each Bond as the owner thereof for all purposes, including payment of principal, interest, and redemption premium thereof, the giving of notices, and receipt of consents and direction as specified herein. DTC shall be entitled to take all action with respect to such notices and consents regarding Bonds registered in its or its nominee's name, and may take actions with respect to a portion of such Bonds so registered which are inconsistent with the actions taken with respect to other portions of the Bonds so registered. Neither the Issuer, the Trustee, the Bank, the Obligor nor the placement agent of the Bonds is or will be responsible for the actions of DTC or anyone else in connection with the operation of the Book-Entry System. In any case where delivery of a Bond to the Trustee is required under the Indenture, such delivery shall be deemed to have been made by appropriate notation of transfer or registration on the records of DTC so long as the Book-Entry System is in effect.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer, the Obligor and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trustee shall transfer and exchange Bond certificates to the actual purchaser of each Bond (the "Beneficial Owner"). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

The Issuer may determine that continuation of the system of the book entry transfers through DTC is not in the best interests of the respective Beneficial Owners and that the Beneficial Owners shall be able to obtain Bond certificates. In such event, the Issuer or DTC Participants, upon the direction of the Issuer, shall notify the Beneficial Owners of the availability of Bond Certificates and the Trustee shall transfer and exchange bond certificates to such Beneficial Owners. Thereafter, upon presentation of the Bonds for transfer, the Trustee shall transfer the Bonds or portions thereof in accordance with the Indenture.

The cost and expense of printing, preparing and delivering Bond certificates upon the termination of the services of DTC shall be borne by the Obligor.

REDEMPTION

Optional Redemption

Variable Rate Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Obligor, in whole on any date, or in part (in such manner so that following the redemption only Bonds in Authorized Denominations remain outstanding in accordance with the Indenture) on any Interest Payment Date, at a price of 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.

All Bonds shall be subject to optional redemption prior to their stated maturity at the option of the Obligor, in whole or in part (provided all Bonds outstanding after the redemption shall remain in Authorized Denominations), on the Conversion Date at the principal amount thereof plus accrued interest thereon to the redemption date, without premium.

Extraordinary Optional Redemption

The Bonds are subject to redemption in whole or in part in multiples of \$5,000 (provided all Bonds outstanding after the redemption shall remain in Authorized Denominations) at the option of the Obligor, prior to maturity on the first Interest Payment Date for which the requisite notice of redemption can be given, at 100% of the principal amount thereof plus accrued interest to the redemption date upon exercise by the Obligor of its option to repay the Loan following an event wherein

(a) the Project, or a portion thereof, shall have been damaged or destroyed or there shall have occurred the condemnation of such portion of the Project or the taking by eminent domain of such use or control of the Project or failure of title so that the Project, or a portion thereof, may not be reasonably restored in the opinion of the Obligor within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction or condemnation or taking or a failure of title resulting in title insurance policy proceeds sufficient to pay the principal amount of the Bonds then outstanding or that the Obligor is thereby prevented from carrying on its normal operations at the Project, or a portion thereof, for a period of six consecutive months, or that the cost of restoration of the Project is reasonably deemed by the Obligor to be uneconomic; or

(b) as a result of any changes in the Constitution of the State of Texas or the Constitution of the United States of America or of legislative or administrative action (whether federal, state or local) or by final decree, judgment or order of any court or administrative body (whether federal, state or local) entered after the contest thereof by the Obligor in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent of the parties as expressed therein.

Mandatory Redemption on Determination of Taxability

The Bonds are subject to mandatory redemption prior to maturity by the Issuer in connection with a "Determination of Taxability" as described herein,

"Determination of Taxability" shall mean either (a) the entry by a court of a final judgment or order or the promulgation by the Internal Revenue Service of a final ruling or decision, in either such case, to the effect that the interest on the Bonds is includable for federal income tax purposes in the gross income of all recipients thereof subject to federal income taxes (as distinguished from inclusion in a corporate holder's adjusted current earnings for purposes of the alternative minimum tax or inclusion in effectively connected earnings and profits for purposes of computing tax on foreign corporations doing business in the United States or treatment as a preference item for purposes of the alternative minimum tax on corporations and individuals) or (b) the receipt by the Trustee of an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds selected by a registered owner or former registered owner, or beneficial owner or former beneficial owner, as the case may be, or the Obligor to the effect that interest on the Bonds is includable in the gross income of any registered owner or former registered owner, or beneficial owner or former beneficial owner, as the case may be, for federal income tax purposes (as distinguished from inclusion in a corporate holder's adjusted current earnings for purposes of the alternative minimum tax or inclusion in effectively connected earnings and profits for purposes of computing tax on foreign corporations doing business in the United States or treatment as a preference item for purposes of the alternative minimum tax on corporations and individuals or interest on Bonds which are held by a "substantial user" of the Project or a person deemed related thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended)). For purposes of this definition, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall not be considered final during the pendency of any appeal or other action for judicial or administrative review which may be filed within the time allowed therefor, provided that the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that such appeal or action for judicial or administrative review is not without merit.

If at any time a Determination of Taxability occurs, then within 5 Business Days of confirmation by the Trustee of such Determination of Taxability, the Trustee shall notify the registered owners by mail of the Determination of Taxability and all of the Bonds then outstanding shall be redeemed no later than 30 days after the date the Trustee confirmed the occurrence of such Determination of Taxability as provided in the Indenture or, if such day is a not a Business Day, the immediately succeeding Business Day. The Bonds shall be redeemed at a price equal to 100% of the principal amount plus accrued interest to such redemption date.

Mandatory Redemption from Surplus Bond Proceeds

The Bonds are subject to mandatory redemption on any Business Day for which notice of such redemption can be given, in part, equal to the surplus proceeds of the Bonds, if any, at the earliest time possible following the deposit in the Surplus Bond Proceeds Account within the Bond Fund, at a redemption price of 100% of the principal amount of the Bonds so redeemed,

together with interest accrued to the redemption date, all as provided in the Indenture, to the extent of the greatest amount equal to an integral multiple of \$5,000 in such Account (provided all Bonds outstanding after the redemption shall remain in Authorized Denominations).

Mandatory Redemption on Expiration of Credit Facility

The Bonds shall also be subject to mandatory redemption prior to their stated maturity at the principal amount thereof plus accrued interest thereon on the Interest Payment Date next preceding the date of expiration of the term of the Credit Facility or any Substitute Credit Facility then in effect, unless an extension or a Substitute Credit Facility shall have been delivered to the Trustee as provided in the Agreement at least 60 days prior to the last Interest Payment Date prior to the expiration of the Credit Facility or Substitute Credit Facility then in effect.

Procedure for and Notice of Redemption

In selecting Bonds for redemption, the Trustee may treat Bonds purchased at the demand of the registered owner pursuant to the Indenture and Bonds delivered pursuant to the Indenture in replacement therefor during the 15 days next preceding the notice by mailing of any proposed redemption of Bonds as though such purchase and delivery had not occurred. If a Bond selected for redemption shall have been purchased pursuant to the Indenture and a new Bond shall have been delivered in replacement therefor pursuant to the Indenture on or after the 15th day immediately preceding the notice by mailing of any proposed redemption of Bonds, then the Bond delivered in replacement for the Bond so purchased shall be deemed to be the Bond selected for redemption. Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Indenture will cease to bear interest on the redemption date. Upon presentation and surrender of such Bonds at the designated corporate trust office of the Trustee, such Bonds shall be paid and redeemed.

Except as provided for under a Mandatory Redemption on Determination of Taxability, the notices of redemption shall be given by the Trustee by mail not less than 30 days prior to the date set for redemption to each registered owner of a Bond to be so redeemed at the address shown on the registration books of the Issuer maintained by the Trustee.

V. PURCHASE OF BONDS ON PURCHASE DATES AND CONVERSION DATES

Demand Purchase Option

While a Credit Facility is in effect, each registered owner of a Variable Rate Bond has the right to have any or all of such owner's Bonds purchased at 100% of the par amount plus accrued and unpaid interest thereon, if any (the "Purchase Price") upon:

- (i) (A) in the case of Weekly Rate Bonds, delivery by the Holder not later than 11:00 a.m., Central prevailing time, on a Business Day that is at least seven calendar days prior to the Purchase Date, to the Remarketing Agent at its principal office and the

Trustee, of irrevocable notice by facsimile (promptly confirmed in writing, which written notice shall be addressed to the Trustee and the Remarketing Agent) which (1) states the aggregate principal amount (in Authorized Denominations) of such Weekly Rate Bonds to be purchased, (2) states the Purchase Date, and (3) appoints the Trustee as its duly authorized attorney-in-fact for purposes of transfer if the Bonds are not presented in a timely fashion; or

(B) in the case of Daily Rate Bonds, delivery by the Holder not later than 10:00 a.m., Central prevailing time, on a Business Day, to the Remarketing Agent at its principal office and the Trustee, of irrevocable notice by facsimile (promptly confirmed in writing, which written notice shall be addressed to the Trustee and the Remarketing Agent) which (1) states the aggregate principal amount (in Authorized Denominations) of such Daily Rate Bonds to be purchased, (2) states the Purchase Date (which Purchase Date may be the date of the delivery of such notice to the Trustee and the Remarketing Agent), and (3) appoints the Trustee as its duly authorized attorney-in-fact for purposes of transfer if the Bonds are not presented in a timely fashion; and

(ii) delivery to the Trustee, not later than the Purchase Date designated in the notice described in (i) or (ii) above, of such Bonds to be purchased with an appropriate endorsement for transfer or accompanied by a blank power of attorney duly executed. In the event such Bonds are not presented for purchase, they are deemed tendered and the registered owner thereof shall only be entitled to the Purchase Price of the Undelivered Bond upon surrender thereof to the Trustee.

Mandatory Tender and Purchase of Bonds

(a) All Variable Rate Bonds must be tendered by the Holders thereof to the Trustee for purchase (i) on any Conversion Date or on any proposed Conversion Date, and (ii) on a Substitution Date unless a Holder elects to retain its Bonds as provided in paragraph (c) below.

(b) Except as provided in paragraph (c) below, any Variable Rate Bonds tendered or required to be tendered for purchase shall be delivered to the Trustee, on or before the Conversion Date, proposed Conversion Date or Substitution Date, as applicable, and any Variable Rate Bonds required to be tendered for purchase that are not delivered for which there has been irrevocably deposited in trust with the Trustee an amount of money sufficient to pay the Purchase Price thereof shall be deemed to have been purchased and shall be Undelivered Bonds. In the event of a failure by a Holder to tender Bonds on or prior to the required date, such Holder shall not be entitled to any payment (including any interest to accrue subsequent to the required Purchase Date) other than the Purchase Price for such Undelivered Bonds, and any Undelivered Bonds shall no longer be entitled to the benefits of the Indenture, except for the payment of the Purchase Price therefor from such moneys. Any moneys held by the Trustee for the purchase of any Undelivered Bonds shall be separated and held uninvested in the Purchase Fund for the exclusive benefit of the Holders of such Undelivered Bonds.

(c) Each Holder of Variable Rate Bonds may elect to waive the mandatory tender and purchase of its Variable Rate Bonds on a Substitution Date which is not also a

Conversion Date or proposed Conversion Date by delivering notice to the Trustee of such election not later than 11:00 a.m., Central prevailing time, on the eighth Business Day prior to the Substitution Date. Such notice must state that (i) such Holder acknowledges that the Credit Facility is being replaced with a Substitute Credit Facility, (ii) such Holder acknowledges that its Variable Rate Bonds will remain subject to optional and mandatory tender following the substitution on the same terms prior to the substitution, (iii) such Holder acknowledges that any rating on the Bonds may be reduced or withdrawn as a result of the substitution, and (iv) such Holder affirmatively elects to retain its Variable Rate Bonds; provided, that, if the Substitution Date is also a proposed Conversion Date or Conversion Date, the foregoing provisions of this paragraph (c) shall not apply and no Holder may elect to waive the mandatory tender and purchase of its Variable Rate Bonds.

Substitute Credit Facility

The Obligor may, from time to time, deliver to the Trustee a Substitute Credit Facility in accordance with the terms of the Indenture.

This Bond shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been executed by the Trustee.

IN WITNESS WHEREOF, the San Gabriel Industrial Development Corporation has executed this Bond by the manual or facsimile signature of its Authorized Officer, and imprinted its corporate seal hereon or printed a facsimile thereof hereon, all as of the Date of Original Issue.

SAN GABRIEL INDUSTRIAL DEVELOPMENT
CORPORATION

By _____

Its Chairperson

By _____

Its Secretary

[FORM OF CERTIFICATE OF AUTHENTICATION]

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

Date of Authentication:

_____, 2009

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

Its: _____

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED

the undersigned hereby sells, assigns and transfers unto

the within bond of

SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION

and does hereby irrevocably constitute and appoint

_____ Attorney to transfer the said bond on the books of the Issuer maintained by the Trustee as Bond Registrar, with full power of substitution in the premises.

Dated: _____

In the presence of:

_____ Signature(s) Guaranteed

Note: The signature(s) to this Assignment must correspond with the name as written on the face of this bond in every particular. The signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

[FORM OF FIXED RATE BOND]

[DTC LEGEND]

No:_____

\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
SAN GABRIEL INDUSTRIAL DEVELOPMENT CORPORATION
REVENUE BOND, SERIES 2009
(AIRBORN, INC. PROJECT)

**Interest
Rate**

**Date of
Maturity**

Conversion Date

CUSIP

Registered Owner:

Principal Amount:

The San Gabriel Industrial Development Corporation (the "Issuer") for value received hereby promises to pay from the sources and as hereinafter described, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Date of Maturity specified above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association or its successor (the "trustee"), and to pay to the Registered Owner hereof interest on the unpaid principal balance hereof from the Conversion Date specified above, or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, computed on the basis of a year of 360 days and twelve 30-day months, payable semiannually on the 1st day of June and December of each year, commencing December 1, 2009, by check mailed by the Trustee to the person in whose name this bond is registered at the close of business on the 15th day of the calendar month preceding the interest payment date.

This bond is one of an authorized series of bonds issued in the aggregate principal amount of \$8,000,000 (the "Bonds"), for the purpose of making a loan (the "Loan") of the full principal amount of the Bonds to AirBorn, Inc., a Texas corporation (the "Obligor"), in accordance with the Loan Agreement between the Obligor and the Issuer dated as of June 1, 2009 (the "Loan Agreement"), to enable the Obligor to acquire land, construct and equip a new manufacturing facility thereon (the "Project") in Williamson County, Texas, and to pay necessary expenses incidental thereto and to the issuance of the Bonds, and thereby alleviating

unemployment, while also assisting and retaining local industries and strengthening and revitalizing the Williamson County, Texas economy in general.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of Texas (the "State"), particularly the Development Corporation Act of 1979, as amended, Article 5190.6, Vernon's Annotated Texas Civil Statutes, as amended (the "Act"), and pursuant to a resolution of the Board of the Issuer (the "Resolution"). The Bonds and the premium, if any, and interest thereon shall never constitute a debt or indebtedness of the State or the Issuer within the meaning of any constitutional or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Issuer or a charge against the general credit, funds or assets of the State or the general credit of the Issuer, or the taxing powers of the State, but shall be a limited obligation of the Issuer payable solely from and secured solely by the "Security", all as defined and provided in the Resolution and the Trust Indenture (the "Indenture"), dated as of June 1, 2009, from the Issuer to the Trustee for the equal and ratable benefit of the registered owners of the Bonds. The Issuer has no taxing power.

Under the Loan Agreement, the Obligor is obligated to repay the Loan by making payments at such times and in such amounts (the "Loan Repayments") as shall be required to pay the principal of, premium, if any, and interest on the Bonds, as the same become due. As security for the Loan Repayments payable by the Obligor under the Loan Agreement, the Obligor has caused to be delivered to the Trustee an irrevocable letter of credit (the "Credit Facility") of Comerica Bank (the "Bank"). The Trustee is entitled under the Credit Facility to draw up to the sum of (a) the principal amount of the Bonds to enable the Trustee to pay the principal amount of the Bonds (other than Bonds owned by the Obligor) when due at maturity, by acceleration of maturity or otherwise, or upon Optional Redemption, Extraordinary Optional Redemption, Mandatory Redemption on Determination of Taxability, Mandatory Redemption from Surplus Bond Proceeds, Mandatory Sinking Fund Redemption or Mandatory Redemption on Expiration of Credit Facility plus (b) an amount equal to 210 days' maximum accrued interest on the Bonds to enable the Trustee to pay interest on the Bonds plus (c) any premium on the Bonds.

To provide for the issuance of the Credit Facility, the Obligor has entered into a Reimbursement Agreement dated as of June 1, 2009 (the "Reimbursement Agreement") with the Bank pursuant to which the Obligor is obligated to reimburse the Bank for all drawings made under the Credit Facility.

The Security includes the Credit Facility and a security interest in the Loan Agreement and the Loan Repayments and in any other moneys held by the Trustee under the Indenture.

The Indenture and the Loan Agreement are on file at the designated corporate trust office of the Trustee. Reference is hereby made to the Indenture and the Loan Agreement for a description of the Security and for the provisions, among others, with respect to the rights, duties and obligations of the Issuer, the Obligor, the Trustee, the Bank and the registered owners of the Bonds and the terms upon which the Bonds are issued.

This Bond may be transferred or exchanged by the registered owner hereof but only upon registration books of the Issuer kept by the Trustee, upon the surrender of this Bond together with a written instrument of transfer or exchange satisfactory to the Trustee duly executed by the registered owner's attorney duly authorized in writing, and thereupon a Bond or Bonds of any denomination or denominations authorized by the Indenture in the same aggregate principal amount shall be issued to the transferee or registered owner in exchange therefor.

The registration and registration of transfer of this Bond is subject to a charge by the Trustee sufficient to cover any governmental tax or fee in connection therewith. Neither the Issuer nor the Trustee shall be required (i) to register, transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the first publication or mailing of any notice of redemption or (ii) to transfer or exchange any Bonds called for redemption.

Book-Entry System

The Issuer has entered into an agreement with The Depository Trust Company ("DTC") for the purpose of establishing a "Book-Entry System" for the Bonds. Pursuant to such agreement, Bonds will be registered in the name of DTC, or its nominee, for the benefit of other parties ("DTC Participants"), and DTC shall agree to keep accurate records of the DTC Participants, and promptly to transfer funds received by it in payment for the Bonds to appropriate beneficiaries. The ownership interest of each actual purchaser of a Bond will be recorded in the records of the DTC Participant and each such purchaser will receive a written confirmation of the purchase providing details of the Bond acquired. Transfers of ownership will be accomplished by book entries made by DTC and, in turn, by the DTC Participant who will act on behalf of each such purchaser. Under such circumstances, purchasers will not receive certificates representing their ownership interest in the Bonds, except as otherwise specifically provided in the Indenture. The Issuer and the Trustee may treat the registered owner of each Bond as the owner thereof for all purposes, including payment of principal, interest, and redemption premium thereof, the giving of notices, and receipt of consents and direction as specified herein. DTC shall be entitled to take all action with respect to such notices and consents regarding Bonds registered in its or its nominee's name, and may take actions with respect to a portion of such Bonds so registered which are inconsistent with the actions taken with respect to other portions of the Bonds so registered. Neither the Issuer nor the Trustee is or will be responsible for the actions of DTC or anyone else in connection with the operation of the Book-Entry System. In any case where delivery of a Bond to the Trustee is required under the Indenture, such delivery shall be deemed to have been made by appropriate notation of transfer or registration on the records of DTC so long as the Book-Entry System is in effect.

DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer, the Obligor and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Trustee shall transfer and exchange Bond certificates to the actual purchaser of each Bond (the "Beneficial Owner"). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

The Issuer may determine that continuation of the system of the book entry transfers through DTC is not in the best interests of the respective Beneficial Owners and that the Beneficial Owners shall be able to obtain Bond certificates. In such event, the Issuer or DTC Participants, upon the direction of the Issuer, shall notify the Beneficial Owners of the availability of Bond Certificates and the Trustee shall transfer and exchange bond certificates to such Beneficial Owners. Thereafter, upon presentation of the Bonds for transfer, the Trustee shall transfer the Bonds or portions thereof in accordance with the Indenture.

The cost and expense of printing, preparing and delivering Bond certificates upon the termination of the services of DTC shall be borne by the Obligor.

REDEMPTION

The Bonds are not subject to redemption
prior to maturity except as provided below.

Optional Redemption. On and after the First Optional Redemption Date (as hereinafter defined), Fixed Rate Bonds are subject to redemption at the option of the Obligor with the consent of the Bank commencing on the First Optional Redemption Date, in whole on any date, or in part (in such manner so that following the redemption only Bonds in Authorized Denominations remain outstanding in accordance with the Indenture) on any Interest Payment Date following the expiration of the applicable call protection period at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
First Optional Redemption Date to, but not including, First Anniversary of First Optional Redemption Date	102%
First Anniversary of First Optional Redemption Date to, but not including, Second Anniversary of First Optional Redemption Date	101 1/2%
Second Anniversary of First Optional Redemption Date, to, but not including, Third Anniversary of First Optional Redemption Date	101%

Third Anniversary of First Optional Redemption Date to, but not including, Fourth Anniversary of First Optional Redemption Date

100 1/2%

Fourth Anniversary of First Optional Redemption Date and thereafter

100%

The First Optional Redemption Date will be the June 1 on or next following the date which is a number of years after the Conversion Date equal to the number of years between the June 1 immediately following the Conversion Date (unless the Conversion Date is on June 1, in which case from such June 1) and the June 1 designated as the final maturity of the Bonds following the Conversion Date, multiplied by 0.5 and rounded upward to the nearest whole number.

Extraordinary Optional Redemption

The Bonds are subject to redemption in whole or in part, in multiples of \$5,000 (provided all Bonds outstanding following the redemption shall remain in Authorized Denominations) at the option of the Issuer, upon direction of the Obligor, prior to maturity on the first Interest Payment Date for which the requisite notice of redemption can be given, at 100% of the principal amount thereof plus accrued interest to the redemption date upon exercise by the Obligor of its option to repay the Loan following an event wherein

(a) the Project, or a portion thereof, shall have been damaged or destroyed or there shall have occurred the condemnation of such portion of the Project or the taking by eminent domain of such use or control of the Project or failure of title so that the Project, or a portion thereof, may not be reasonably restored in the opinion of the Obligor within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction or condemnation or taking or a failure of title resulting in title insurance policy proceeds sufficient to pay the principal amount of the Bonds then outstanding or that the Obligor is thereby prevented from carrying on its normal operations at the Project, or a portion thereof, for a period of six consecutive months, or that the cost of restoration of the Project is reasonably deemed by the Obligor to be uneconomic: or

(b) as a result of any changes in the Constitution of the State of Texas or the Constitution of the United States of America or of legislative or administrative action (whether federal, state or local) or by final decree, judgment or order of any court or administrative body (whether federal, state or local) entered after the contest thereof by the Obligor in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent of the parties as expressed therein.

Mandatory Redemption on Determination of Taxability

The Bonds are subject to mandatory redemption prior to maturity by the Issuer in connection with a "Determination of Taxability" as described herein.

"Determination of Taxability" shall mean either (a) the entry by a court of a final judgment or order or the promulgation by the Internal Revenue Service of a final ruling or decision, in either such case, to the effect that the interest on the Bonds is includable for federal income tax purposes in the gross income of all recipients thereof subject to federal income taxes (as distinguished from inclusion in a corporate holder's adjusted current earnings for purposes of the alternative minimum tax or inclusion in effectively connected earnings and profits for purposes of computing tax on foreign corporations doing business in the United States or treatment as a preference item for purposes of the alternative minimum tax on corporations and individuals) or (b) the receipt by the Trustee of an opinion by an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds selected by a registered owner or former registered owner, or beneficial owner or former beneficial owner, as the case may be, or the Obligor to the effect that interest on the Bonds is includable in the gross income of any registered owner or former registered owner, or beneficial owner or former beneficial owner, as the case may be, for federal income tax purposes (as distinguished from inclusion in a corporate holder's adjusted current earnings for purposes of the alternative minimum tax or inclusion in effectively connected earnings and profits for purposes of computing tax on foreign corporations doing business in the United States or treatment as a preference item for purposes of the alternative minimum tax on corporations and individuals or interest on Bonds which are held by a "substantial user" of the Project or a person deemed related thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended)). For purposes of this definition, a judgment or order of a court or a ruling or decision of the Internal Revenue Service shall not be considered final during the pendency of any appeal or other action for judicial or administrative review which may be filed within the time allowed therefor, provided that the Trustee shall have received an opinion of nationally recognized bond counsel to the effect that such appeal or action for judicial or administrative review is not without merit.

If at any time a Determination of Taxability occurs, within 5 Business Days of confirmation by the Trustee of such Determination of Taxability, the Trustee shall notify the registered owners by mail of the Determination of Taxability and all of the Bonds then outstanding shall be redeemed no later than 30 days after the date the Trustee confirmed the occurrence of such Determination of Taxability as provided in the Indenture or, if such day is a not a Business Day, the immediately succeeding Business Day. The Bonds shall be redeemed at a price equal to 100% of the principal amount plus accrued interest to such redemption date.

Mandatory Redemption from Surplus Bond Proceeds

The Bonds are subject to mandatory redemption on any Business Day for which notice of such redemption can be given, in part, equal to the surplus proceeds of the Bonds, if any, at the earliest time possible following the deposit in the Surplus Bond Proceeds Account within the Bond Fund at a redemption price of 100% of the principal amount of the Bonds so redeemed,

together with interest accrued to the redemption date, all as provided in the Indenture, to the extent of the greatest amount equal to an integral multiple of \$5,000 in such Account (provided all Bonds outstanding after the redemption shall remain in Authorized Denominations).

Mandatory Redemption on Expiration of Credit Facility

The Bonds shall also be subject to mandatory redemption prior to their stated maturity at the principal amount thereof plus accrued interest thereon on the Interest Payment Date next preceding the date of expiration of the term of the Credit Facility or any Substitute Credit Facility then in effect, unless an extension or a Substitute Credit Facility shall have been delivered to the Trustee as provided in the Agreement at least 60 days prior to the last Interest Payment Date prior to the expiration of the Credit Facility or Substitute Credit Facility then in effect.

Procedure for and Notice of Redemption

Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Indenture will cease to bear interest on the redemption date. Upon presentation and surrender of such Bonds at the designated corporate trust office of the Trustee, such Bonds shall be paid and redeemed.

Except as provided for under a Mandatory Redemption on Determination of Taxability, the notices of redemption shall be given by the Trustee by mail not less than 30 days prior to the date set for redemption to each registered owner of a Bond to be so redeemed at the address shown on the registration books of the Issuer maintained by the Trustee. If less than all the Bonds are to be redeemed, the notice shall identify the Bonds or portions thereof to be redeemed by reference to the serial numbers or other identifying designation of each such Bond. Failure to mail any such notice or any defect in such notice, as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond.

On or prior to the redemption date, if the Credit Facility is no longer in effect, Available Moneys (as defined in the Indenture) shall be placed on deposit with the Trustee and earmarked for such purpose to pay on such redemption date the Bonds or portions thereof thus called, plus premium, if any, and accrued interest thereon to the redemption date.

Acceleration of Maturity of Principal and Interest on the Bonds

PRINCIPAL AND INTEREST ON THE BONDS MAY BE DECLARED TO BE IMMEDIATELY DUE AND PAYABLE PRIOR TO MATURITY AT THE OPTION OF THE BANK IN THE EVENT THAT AN EVENT OF DEFAULT OCCURS UNDER THE TERMS OF THE REIMBURSEMENT AGREEMENT.

Substitute Credit Facility.

(a) The Obligor may, from time to time, deliver to the Trustee a Substitute Credit Facility, the terms of which are in all material respects the same as the existing Credit Facility except with respect to the stated expiration date which shall be at least as long as the stated expiration date of the existing Credit Facility, and, provided that the Trustee, the Remarketing Agent and the Bank are given 60 days' notice prior to the Interest Payment Date next preceding the delivery of such Substitute Credit Facility (and a commitment to issue a Substitute Credit Facility from the issuer of a Substitute Credit Facility accompanies such notice), and provided further that such Substitute Credit Facility is accompanied by (i) a written opinion of Bond Counsel acceptable to the Issuer and the Trustee stating that the delivery of such Substitute Credit Facility to the Trustee is authorized under the Indenture and complies with the terms thereof, (ii) a written opinion of counsel to the issuer of the Substitute Credit Facility addressed to the Trustee that it is binding and enforceable in accordance with its terms, subject as to enforceability to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights as they relate to the issuer of the Substitute Credit Facility and the exercise of judicial discretion in accordance with general principles of equity, that the Substitute Credit Facility is not subject to registration under the Securities Act of 1933, as amended, or has been so registered, and that any payments under the Substitute Credit Facility will not constitute voidable preferences under the United States Bankruptcy Code, (iii) a written opinion of Bond Counsel to the effect that the exclusion of the interest on the Bonds from gross income for federal income tax purposes will not be impaired due to the substitution, (iv) written evidence that with respect to the long term indebtedness of the issuer of the Substitute Credit Facility, or with respect to securities supported by similar credit instruments issued by such issuer, the rating thereof is not less than the ratings for similar instruments of the then current issuer of the Credit Facility, and (v) written confirmation from the Bank that all sums owed by the Obligor to the Bank have been paid in full. Upon receipt of such documentation, the Trustee shall accept such Substitute Credit Facility and promptly surrender the previous Credit Facility to the issuer thereof for cancellation.

(b) Not less than 30 days prior to any Substitution Date, the Trustee shall give notice of the Substitution Date to the Remarketing Agent, the registered owners and the Bank by registered or certified mail, return receipt requested which notice shall (1) specify the Substitution Date and (2) specify the issuer of the Substitute Credit Facility.

LIMITATION OF RIGHTS

No registered owner of this Bond shall have any right to institute any suit action or proceeding for the enforcement of the Indenture, for the execution of any trust thereof or any other remedy thereunder, unless (i) an Event of Default under the Indenture has occurred and is continuing, of which the Trustee has been notified, or of which it is required to have notice, or (ii) the Credit Facility has become unavailable to the Trustee for any reason, and (iii) the registered owners of at least 25% in aggregate principal amount of Bonds then outstanding (a) shall have made written request to the Trustee, (b) shall have afforded the Trustee reasonable opportunity to proceed to exercise the powers granted under the Indenture or to institute such

proceedings in its own name, and the Trustee shall thereafter fail or refuse to exercise such powers or to institute such action, suit or proceeding in its own name, and (c) shall have offered to the Trustee indemnity as provided in the Indenture, it being understood and intended that no one or more registered owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of the Indenture by its, his, or their action or to enforce any right thereunder except in the manner therein provided and that proceedings shall be instituted, had and maintained in the manner provided in the Indenture and for the benefit of the registered owners of all Bonds then outstanding. Subject to the foregoing, the registered owner of this Bond shall have a right of action to enforce the payment of the principal of and interest on this Bond at and after the maturity hereof at the place, from the sources and in the manner herein expressed, provided that no registered owner of any Bond shall have a right individually to claim against, or draw under the Credit Facility. Moneys collected pursuant to the above-described proceedings are to be applied, after paying the fees and expenses of the Trustee, to pay the principal of, premium, if any, and interest on the Bonds as provided in the Indenture. In certain events as provided in the Indenture, the principal of this Bond may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Such events include the right of the Trustee to declare an acceleration of the Bonds pursuant to the terms of the Indenture. Supplements and amendments to the Indenture and the Loan Agreement may be made only as permitted by the Indenture.

This Bond shall not be valid or become obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been executed by the Trustee.

IN WITNESS WHEREOF, the San Gabriel Industrial Development Corporation has executed this Bond by the manual or facsimile signature of its Authorized Officer, and imprinted its corporate seal hereon or printed a facsimile thereof hereon, all as of the Date of Original Issue.

SAN GABRIEL INDUSTRIAL DEVELOPMENT
CORPORATION

By: _____

Its: _____

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

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

Date of Authentication:

_____,
Trustee

By: _____

Its: Authorized Signatory

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED

the undersigned hereby sells, assigns and transfers unto

the within bond of

San Gabriel Industrial Development Corporation

and does hereby irrevocably constitute and appoint

_____ Attorney to transfer the said bond on the
books of the Issuer maintained by the Trustee as Bond Registrar, with full power of substitution
in the premises.

Dated: _____

In the presence of:

_____ Signature(s) Guaranteed

Note: The signature(s) to this Assignment must correspond with the name as written on the face of this bond in every particular. The signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

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