

**SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS**

**AND**

**UMB BANK, N.A.,  
as Trustee and Custodial Agent**

**TRUST INDENTURE**

**Dated as of [\_\_MONTH\_\_] 1, 2017**

**Pertaining to:**

**SINGLE FAMILY MORTGAGE REVENUE BONDS  
(MORTGAGE-BACKED SECURITIES PROGRAM)  
MULTIPLE SERIES**

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## TRUST INDENTURE

This **TRUST INDENTURE**, made and entered into as of [\_\_MONTH\_\_] 1, 2017, by and between **Sedgwick County, Kansas** and **Shawnee County, Kansas** (each, an "Issuer" and collectively, the "Issuers"), political subdivisions of the State of Kansas (the "State"), and **UMB Bank, N.A.**, a national banking association with trust powers organized and existing under the laws of the United States of America and having its principal corporate trust office located in Kansas City, Missouri, as trustee (the "Trustee") and as custodial agent for the Issuer with respect to Securities to be delivered to the Securities Purchaser;

### WITNESSETH:

WHEREAS, pursuant to K.S.A. 12-5219 *et seq.*, as amended (the "Act"), and the Constitution and laws of the State, and pursuant to duly adopted resolutions of the Issuers, the Issuers are authorized to jointly establish a local residential housing finance plan and to issue jointly their revenue bonds to acquire mortgage loans and securities backed by mortgage loans, to pledge the mortgage notes and mortgages and mortgage-backed securities relating to such mortgage loans as security for the payment of the principal of and interest on any such revenue bonds and to enter into any agreements made in connection therewith; and

WHEREAS, the Issuers have determined to (i) continue a local residential housing finance plan within the Program Area (as hereinafter defined) by purchasing Securities (as hereinafter defined), which securities are backed by pools of home mortgage loans made to qualified persons and families by qualified lending institutions pursuant to the Act, and/or (ii) borrow money for such purpose by the issuance of revenue bonds in multiple series as authorized by the Act or otherwise make funds available for such purpose;

WHEREAS, the Issuers have determined to (i) jointly issue their Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), in multiple series in the maximum aggregate principal amount of \$[\_\_PRINCIPAL AMOUNT\_\_] (the "Bonds") to finance qualifying mortgage loans (the "Mortgage Loans") to qualified persons purchasing qualifying single family residences in accordance with the terms and conditions of the Lender Origination Agreement, dated as of [\_\_MONTH\_\_] 1, 2017, as supplemented (the "Origination Agreement"), by and among the Issuers, the Trustee and each of the Lenders referred to in the Origination Agreement; the Servicing Agreement, dated as of [\_\_MONTH\_\_] 1, 2017, as supplemented (the "Origination Agreement"), by and among the Issuers, the Trustee, and U.S. Bank N.A., acting by and through its U.S. Bank Home Mortgage MRBP Division, as master servicer (the "Master Servicer"), (ii) provide for purchase of Securities by the Trustee hereunder and/or the Securities Purchaser under the Security Purchase Agreement, and (iii) enter into this Indenture to secure the Bonds of each Series by a pledge and assignment of the collateral described herein, including, but not limited to, the Investment Agreements (as defined below) and the Securities and all rights of the Issuers under the Agreement on the terms and conditions herein set forth;

WHEREAS, the Issuers have determined that all acts, conditions and things required by the Act, and by all other laws of the State, to exist, to have happened and to have been performed precedent to and in connection with the issuance of said revenue bonds exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Issuers are now duly authorized and empowered, pursuant to each and every requirement of law, to issue said revenue bonds for the purpose, in the manner and upon the terms herein provided; and

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

**NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:**

**GRANTING CLAUSES**

The Issuers, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds of each Series by the Owners thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds of each Series are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, and in order to secure the payment of all the Bonds of each Series at any time issued and Outstanding hereunder and the premium, if any, and interest thereon according to their tenor, purpose and effect, and in order to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained, have executed and delivered this Indenture and have pledged and assigned and do hereby pledge and assign to, and grant a security interest to, the Trustee and its successors in trust forever, for the securing of the performance of the obligations of the Issuers hereinafter set forth, all right, title and interest of the Issuers, now or hereafter acquired, in and to the following (collectively, the "Trust Estate"):

**I**

The Investment Agreements (as defined herein) relating to the applicable Series of Bonds, together with any permitted extensions and renewals thereof, including, without limitation, the present and continuing right to make claim for, collect, receive and receipt for any of the income and principal payable thereunder, whether payable as scheduled therein or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, including actions for the receipt or disposition of any collateral held thereunder, and to do any and all things which the Issuers are or may become entitled to do thereunder, excluding all amounts deposited to the Rebate Account relating to the applicable Series of Bonds and amounts required to be deposited therein;

**II**

All right, title and interest of the Issuers in the Agreement as it relates to the applicable Series of Bonds, together with all extensions and renewals of the terms thereof, if any, including, without limitation, the present and continuing right to make claim for, collect, receive and receipt for any of the income, revenues, profits and other sums of money payable or receivable thereunder, whether payable as scheduled therein or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, to make claim for, collect, receive and dispose of any collateral therefor or any amounts receivable with respect thereto, and to do any and all things which the Issuers are or may become entitled to do under such Agreement as it relates to the applicable Series of Bonds;

**III**

All right, title and interest of the Issuers in and to the Securities acquired with the proceeds of the applicable Series of Bonds, together with all extensions and renewals of the terms thereof, if any, including, without limitation, the present and continuing right to make claim for, collect, receive and receipt for any of the income, revenues, profits and other sums of money payable or receivable thereunder, whether payable as scheduled therein or otherwise, to bring actions and proceedings thereunder or for the enforcement thereof, to make claim for, collect, receive and dispose of any collateral

therefor or any amounts receivable with respect thereto, and to do any and all things which the Issuers are or may become entitled to do under such Securities;

#### IV

All Government Interest Subsidy Payments and other moneys and obligations to the extent pledged as provided in this Indenture and the applicable *Series Supplement* and held pursuant to this Indenture and the applicable *Series Supplement* as security for the payment of a Series of Bonds, including the principal of, premium, if any, and the interest on the Bonds of such Series, and as security for the satisfaction of any other obligation assumed by the Issuers in connection with the Bonds of such Series, excluding all amounts deposited to the Rebate Account established for such Series of Bonds, including any earnings thereon and any amounts required to be deposited therein; and

#### V

All proceeds of any of the foregoing pledged to the Bonds of such Series.

TO HAVE AND TO HOLD all and singular the Trust Estate with respect to each Series of Bonds, as set forth above, whether now owned or hereafter acquired, to the Trustee and its successors in trust and assigns forever to its and their proper use;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and ratable benefit, security and protection of all present and future Owners of the Bonds of the applicable Series issued and to be issued under and secured by this Indenture and the related *Series Supplement* without privilege, priority or distinction as to the lien or otherwise of any of the Bonds of a Series over any of the other Bonds of such Series except as expressly provided in this Indenture or as expressly provided in a *Series Supplement* with respect to Subordinated Bonds;

PROVIDED, HOWEVER, that if, after the rights, title and interest of the Trustee in and to the estate pledged and assigned to it under this Indenture with respect to a Series of Bonds shall have ceased, terminated and become void with respect to such Series of Bonds in accordance with **Article X** hereof, then this Indenture and all covenants, agreements and other obligations of the Issuers hereunder with respect to such Series of Bonds shall cease, terminate and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture with respect to such Series of Bonds and execute and deliver to the Issuers such instruments in writing as shall be required to evidence the discharge hereof with respect to such Series of Bonds; otherwise, this Indenture shall be and remain in full force and effect with respect to all other Bonds issued and Outstanding hereunder;

PROVIDED, FURTHER, HOWEVER, that the rights, title and interest of the Trustee in and to the estate pledged and assigned to it under this Indenture with respect to one Series of Bonds shall be applicable only to such Series of Bonds, and neither the Trustee nor the Owners of the Bonds of one Series shall have any claim to the estate pledged and assigned to another Series of Bonds.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said payments and other revenues and other income and funds hereby pledged and assigned, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuers have agreed and covenanted, and do hereby

agree and covenant, with the Trustee and with the respective Owners of the Bonds, as follows (subject, however, to **Section 2.01** hereof):

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture, and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless otherwise defined herein, all words and phrases defined in the Agreement shall have the same meaning herein.

"Account" means an Account created and established by **Article V** and by a *Series Supplement*.

"Act" means K.S.A. 12-5219 et seq., as now in effect and as from time to time hereafter amended or supplemented.

"Acquisition Subaccount" means a subaccount by that name within a Program Account established pursuant to **Section 5.02(A)** hereof and a *Series Supplement*.

"Administrator" means Housing and Development Services, Inc. d/b/a/ eHousing Plus, a Florida corporation, or its successor or assigns, as Administrator under the Program Administration Agreement.

"Agreement" means collectively, the Origination Agreement and the Servicing Agreement.

"Bonds" means any bonds authorized by this Indenture and issued and delivered pursuant to this Indenture and a *Series Supplement*, including any Subordinated Bonds.

"Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions located in the City of New York, New York, or the city in which the principal corporate trust office of the Trustee is located, are required or are authorized by law or executive order to close.

"Capitalized Interest Subaccount" means a subaccount by that name within a Program Account established pursuant to **Section 5.02(A)** hereof and a *Series Supplement*.

"Cash Flow Analysis" means one or more projections showing the receipt of cash on and after a specified date from Investment Securities and Securities and its application to pay debt service and Program Expenses with respect to a Series of Bonds, which projections are adequate to receive from the Rating Agency either (a) an initial rating of "Aa" with respect to a Series of Bonds (other than any Subordinated Bonds constituting a part of such Series of Bonds, which may be unrated or rated in a lower rating category), or (b) a confirmation of the current rating(s) on a Series of Bonds previously issued, as required by this Indenture or a *Series Supplement*.

"Certification," "Statement," "Request," "Requisition" and "Order" mean, respectively, a written certificate, statement, request, requisition or order executed as follows: (1) if by the Issuers, by the Chairman, Vice Chairman or the County Clerk of each of the Issuers or such other person as may be designated and authorized to sign for each Issuer and (2) if by a Lender, the Master Servicer or the Administrator, by such person as may be designated and authorized to sign for such Lender, the Master

Servicer or the Administrator, as applicable. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by **Section 1.03**, each such instrument shall include the statements provided for in **Section 1.03**.

"Co-Bond Counsel" means Gilmore & Bell, P.C. and/or Robert J. Perry, Esq., or any attorney(s) or firm(s) of attorneys selected by the Issuers and reasonably acceptable to the Trustee, experienced in the field of tax-exempt housing revenue bonds, and whose legal opinions with respect to such bonds are acceptable in national bond markets.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations and rulings promulgated thereunder.

"Costs of Issuance Account" means an Account established pursuant to **Section 5.02(B)** and a *Series Supplement*.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Issuers and related to the authorization, issuance, sale and delivery of a Series of Bonds, including but not limited to advertising and printing costs, electronic posting costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee and the Administrator (including fees and charges for services through the first year after issuance of the Bonds), legal fees and charges (including those of Co-Bond Counsel and Underwriter's Counsel), fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds. "Costs of Issuance" also includes amounts payable to the State in connection with the private activity bond allocation with respect to a Series of Bonds pursuant to **Section 5.02(B)** hereof and deferred Costs of Issuance payable to the Underwriter or other persons as provided in the applicable *Series Supplement*.

"Custodial Agent" means UMB Bank, N.A., in its capacity as custodial agent pursuant to **Article III** and the Security Purchase Agreement.

"DTC" means The Depository Trust Company, New York, New York.

"DTC Participants" means a broker, dealer, bank, other financial institution or other Person for whom from time to time DTC effects book-entry transfers and pledges of securities deposited with DTC.

"Event of Default" means any event of default with respect to a Series of Bonds specified in **Section 7.01**.

"Extended Final Purchase Option" means, with respect to Securities to be purchased from moneys on deposit in an Acquisition Subaccount of the Program Account established pursuant to a *Series Supplement*, the option exercised by a Lender to extend the Final Purchase Date for a Series of Bonds for a specified principal amount of Securities, upon satisfaction of the conditions for the exercise of such option in **Section 5.21** of the Agreement, **Section 5.02** hereof and the applicable *Series Supplement*.

"Fannie Mae" means Fannie Mae, and its successors and assigns.

"Fannie Mae Guides" means the Fannie Mae Selling and Servicing Guides, as amended from time to time, as modified by the Pool Purchase Contract.

"Fannie Mae Security" means a single pool, guaranteed mortgage pass-through Fannie Mae mortgage-backed security, issued by Fannie Mae and guaranteed as to timely payment of principal and interest by Fannie Mae and backed by Conventional Mortgage Loans.

"Fannie Mae Security Purchase Price" means, unless otherwise specified in the applicable *Series Supplement*, the applicable Fannie Mae Security Purchase Price specified on **Exhibit C** hereto and as an exhibit to the Lender Notice, expressed as a percentage of the principal balance of the applicable portion of the pool of Mortgage Loans on record at Fannie Mae on the first day of the month of purchase. The Fannie Mae Security Purchase Price shall *not* include accrued interest; *provided, however*, that upon receipt of the first payment of interest on such Fannie Mae Security, the Trustee shall remit such unpaid accrued interest to the Master Servicer.

"FHA" means the Federal Housing Administration of the Department of Housing and Urban Development, an agency of the United States of America, or any successor or assigns.

"FHA Insurance" means FHA mortgage insurance issued under Sections 203(b), 203(k), 223 and 234(c) of the National Housing Act of 1934, as amended.

"FHA Insured Mortgage Loan" means a Mortgage Loan insured by FHA in accordance with the provisions of the Agreement.

"Final Purchase Date" means (i) with respect to Securities to be purchased from moneys on deposit in the applicable Acquisition Subaccount of the Program Account, *the dates specified in the applicable Lender Notice with respect to a Series of Bonds*, including, to the extent applicable, any date resulting from the exercise of the Extended Final Purchase Option by the Lenders, and (ii) with respect to Securities to be purchased from moneys on deposit in the applicable Targeted Area Subaccount of the Program Account, *the date specified in the applicable Lender Notice with respect to a Series of Bonds*, or in each case such later date or dates as may be established in accordance with **Section 5.02** hereof and the *Series Supplement* with respect to a Series of Bonds.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation or any successor thereto.

"Freddie Mac Security" means a single pool, guaranteed mortgage pass-through Freddie Mac Mortgage-Backed Security, bearing interest at the Pass-Through Rate, issued by Freddie Mac in book-entry form, guaranteed as to timely payment of principal and interest by Freddie Mac, and backed by qualifying Mortgage Loans.

"Freddie Mac Security Purchase Price" means, unless otherwise specified in the applicable *Series Supplement*, the applicable Freddie Mac Security Purchase Price specified on **Exhibit C** hereto and as an exhibit to the Lender Notice, expressed as a percentage of the principal balance of the applicable portion of the pool of Mortgage Loans on record at Freddie Mac on the first day of the month of purchase. The Freddie Mac Security Purchase Price shall *not* include accrued interest; *provided, however*, that upon receipt of the first payment of interest on such Freddie Mac Security, the Trustee shall remit such unpaid accrued interest to the Master Servicer.

"GNMA" means Government National Mortgage Association.

"GNMA Security" means a fully-modified, mortgage-backed GNMA I or GNMA II Security bearing interest at the Pass-Through Rate, issued by a Lender, guaranteed as to timely payment of principal and interest by GNMA pursuant to Section 306(g) of Title III of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder and backed by FHA Insured Mortgage Loans, VA Guaranteed Mortgage Loans or USDA-RHS Guaranteed Mortgage Loans made by a Lender, all with a Mortgage Loan maturity date not later than the date specified herein or in the applicable Lender Notice.

"GNMA Security Purchase Price" means, unless otherwise specified in the applicable *Series Supplement*, the applicable GNMA Security Purchase Price specified on **Exhibit C** hereto and as an exhibit to the Lender Notice, expressed as a percentage of the principal balance of the applicable portion of the pool of Mortgage Loans on record at GNMA on the first day of the month of purchase. The GNMA Security Purchase Price shall *not* include accrued interest; *provided, however*, that upon receipt of the first payment of interest on such GNMA Security, the Trustee shall remit such unpaid accrued interest to the Master Servicer.

"GNMA Mortgage-Backed Securities Guide" shall mean the GNMA Mortgage-Backed Securities Guide, GNMA Handbook, Section 5500.1, as amended from time to time, with respect to GNMA I Securities, and the GNMA Mortgage-Backed Securities Guide, GNMA Handbook, Section 5500.2, as amended from time to time, with respect to GNMA II Securities.

"Government Interest Subsidy Payments" means payments received by the Issuers from the federal or state government that are made to reduce or off-set debt service payments on any indebtedness, including Bonds.

"Indenture" means this Trust Indenture dated as of [\_\_MONTH\_\_] 1, 2017 by and between the Issuers and the Trustee, as originally executed and as it may from time to time be supplemented, modified or amended by any Supplemental Indenture, including a *Series Supplement*.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants of national reputation or any other qualified person or firm selected by the Issuers, and who, or each of whom, during the period of such accountant's or firm's professional engagement by the Issuers, or at the time of expressing an opinion required hereby: (1) is independent of the Issuers under generally accepted accounting principles; (2) does not have, and is not committed to acquire, any direct or material indirect financial interest in the Issuers; and (3) is not connected with the Issuers as an officer or employee, but who may be regularly retained to make annual or other audits of the books of, or reports of, the Issuers.

"Information Services" means any of the following services: Financial Information, Inc.'s "Daily Called Bond Service," 10<sup>th</sup> Floor, 30 Montgomery Street, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services "Called Bond Service," 28<sup>th</sup> Floor, 55 Broad Street, New York, New York 10004; Moody's "Municipal and Government," 8<sup>th</sup> Floor, 99 Church Street, New York, New York 10007, Attention: Municipal News Reports; and Standard & Poor's "Called Bond Record," 3<sup>rd</sup> Floor, 25 Broadway, New York, New York 10004; or such other services providing information with respect to called bonds as the Issuers may designate in a certificate of the Issuers delivered to the Trustee.

"Interest Account" means an Account by that name established pursuant to **Section 5.04** and a *Series Supplement*.

"Interest Payment Date" means, unless otherwise specified in a *Series Supplement* relating to a Series of Bonds, each June 1 and December 1, commencing on the date specified in a *Series Supplement*.

"Investment Agreements" means the Investment Agreement(s) with respect to a Series of Bonds specified in a *Series Supplement*.

"Investment Securities" means, to the extent permitted by law, any of the following: (1) direct obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof when such obligations are backed by the full faith and credit of the United States, which obligations include, but are not limited to, the following: (i) United States Treasury obligations which are direct or fully guaranteed obligations, and (ii) senior obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by either GNMA or the United States Export-Import Bank; (2) Federal Housing Administration debentures; (3) Farm Credit System Financial Assistance Corporation senior debt obligations; (4) Federal funds, certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank, including the banking department of the Trustee and its affiliates, the debt obligations of which have been rated in the highest long-term rating category (for the maturity thereof) of the Rating Agency; (5) an investment agreement between the Trustee and a financial institution which will not adversely affect the rating assigned to the Bonds by the Rating Agency; (6) units in a taxable government money market mutual fund rated in the highest rating category by the Rating Agency composed solely of obligations described in (1) through (3) above or units of other taxable government money market mutual funds whose portfolios are so restricted; and (7) the Investment Agreements.

"Issuance Date" means the date of initial delivery of a Series of Bonds specified in a *Series Supplement*.

"Issuer Fee" means the Issuer Fee, if any, with respect to a Series of Bonds specified in a *Series Supplement*.

"Issuers" means, collectively, Sedgwick County, Kansas and Shawnee County, Kansas, political subdivisions of the State.

"Lender" mean a lending institution executing the Agreement and meeting the eligibility criteria established for the Program that agrees to originate Mortgage Loans and sell such Mortgage Loans and the right to provide servicing in connection therewith to the Master Servicer.

"Lender Notice" means a notice of the Issuers to the Lender, the Master Servicer and the Trustee with respect to a Series of Bonds, together with all subsequent amendments or revisions thereto approved by the Issuers and delivered to the Trustee, the Master Servicer and each Lender, which specifies, among other things, with respect to each Series (i) the Loan Purchase Price, (ii) the GNMA Security Purchase Price, (iii) the Fannie Mae Security Purchase Price, (iv) the Freddie Mac Security Purchase Price, (v) the Federal Law Income Limits, (vi) applicable Acquisition Cost limits, (vii) the Program Area, (viii) the Targeted Areas, (ix) the Stated Interest Rate, (x) the Pass-Through Rate, (xi) the Final Purchase Date, and (xii) the Origination Period; *provided, that* the Issuers may provide a single notice with respect to such matters which are common to each Series; *provided, further, that* the Issuers may provide a Summary Lender Notice to the Lenders for a Series of Bonds which includes only details pertaining to the Mortgage Loans and the Origination Period for such Series.

"Letter of Representations" means the Blanket Letters of Representations of the Issuers and the Trustee to DTC with respect to the Bonds.

"Master Servicer" means U.S. Bank N.A., acting by and through its U.S. Bank Home Mortgage MRBP Division, as Master Servicer under the Agreement, and its successors and assigns, or any other Master Servicer designed by the Issuers pursuant to a *Series Supplement*, which shall sell Securities to the Trustee backed by Mortgage Loans either originated by it (if it also acts as Lender) or acquired from Lenders pursuant to the Agreement, and which shall service such Mortgage Loans.

"Mortgage" means a deed of trust, mortgage or other similar instrument or instruments creating a first lien (subject to certain permitted encumbrances) on the real property and the improvements thereon securing a Mortgage Loan.

"Mortgage Loan" means a loan made by a Lender under the Program with respect to a Home pursuant to and in accordance with the Act, the Agreement, this Indenture and the Program, evidenced by a Note and secured by a Mortgage, which, together with the applicable Mortgagor and Home, meets the applicable requirements of the Act, the Agreement, this Indenture, the applicable *Series Supplement*, and the Program.

"Mortgagor" means the maker of, and any other party obligated on, a Note in connection with the acquisition of a Home through the borrowing of money pursuant to a Mortgage Loan and includes, where appropriate, a subsequent owner of such Home who purchases such Home subject to the related Mortgage or who assumes such Note, and who, in each case, meets the applicable requirements of the Act, the Agreement, this Indenture, the applicable *Series Supplement* and the Program.

"Nonorigination Redemption Date" means (i) with respect to moneys in an Acquisition Subaccount of the Program Account established with respect to a Series of Bonds, the dates specified in the *Series Supplement* relating to such Series of Bonds, including any date resulting from the exercise of the Extended Final Purchase Option by the Lenders, and (ii) with respect to moneys in a Targeted Area Subaccount of the Program Account established with respect to a Series of Bonds, the date specified in the *Series Supplement* relating to such Series of Bonds, or in each case such later date or dates as may be established in accordance with **Section 5.02** hereof and the *Series Supplement* relating to a Series of Bonds.

"Note" means the promissory note or other document or documents evidencing the obligation of a Mortgagor to repay a Mortgage Loan.

"Notice Address" means:

(A) As to the Issuers:

Sedgwick County, Kansas  
County Courthouse  
Wichita, Kansas 67203  
Attention: County Clerk

Shawnee County, Kansas  
County Courthouse  
Topeka, Kansas 66603  
Attention: County Clerk

(B) As to the Trustee:

UMB Bank, N.A., as Trustee  
1010 Grand Boulevard, 4th Floor  
Kansas City, Missouri 64106  
Attention: Corporate Trust Department

(C) As to the Rating Agency:

Moody's Investors Service  
Fully Supported Group  
99 Church Street, 9th Floor  
New York, New York 10007

(D) As to the Administrator:

eHousing Plus  
3588 Lincoln Way  
Cooper City, Florida 33026  
Attention: Sedgwick/Shawnee Compliance

(E) As to the Master Servicer, the address shown in the Agreement.

(F) As to each Lender, the address shown in the Agreement.

"Origination Agreement" means the Lender Origination Agreement, dated as of January 1, 2014, (Revised April, 2017), as supplemented by the Lender Notice with respect to each Series of Bonds, by and among the Issuers, the Lenders, and the Trustee, and all amendments or supplements thereto.

"Outstanding", when used as of any particular time with reference to Bonds, means (subject to the provisions of **Section 11.09**) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds with respect to which all liability of the Issuers shall have been discharged in accordance with **Section 10.02**, including Bonds (or portions of Bonds) referred to in **Section 11.10**; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

"Owner" means the person in whose name a Bond is registered on the registration books maintained by the Trustee.

"Pass-Through Rate" means the interest rate(s) per annum for the Securities as specified in a *Series Supplement*.

"Person" means an individual, corporation, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Prepayment Subaccount" means a subaccount by that name within a Redemption Account established pursuant to **Section 4.01** and a *Series Supplement*.

"Prepayments" means principal payments in addition to regularly scheduled principal payments on the Securities.

"Principal Account" means an Account by that name established pursuant to **Section 5.04** and a *Series Supplement*.

"Proceeds Account" means an Account by that name established pursuant to **Section 5.01** and a *Series Supplement*.

"Program" means the program of financing Mortgage Loans pursuant to the Act, Section 143 of the Code, this Indenture, the *Series Supplements* and the Agreement.

"Program Administration Agreement" means the Program Administration Agreement, dated as of January 1, 2014, by and among the Issuers, the Trustee and the Administrator and any other contract or contracts in substantially the same form entered into by the Issuers for the same purposes, in each case as originally executed or as it may from time to time be supplemented, modified or amended in accordance with the terms and conditions thereof and hereof.

"Program Area" means the Program Area as defined in the Agreement.

"Program Expense Account" means an Account by that name established pursuant to **Section 5.04** and a *Series Supplement*.

"Program Expenses" means, with respect to a Series of Bonds, (i) the fees and expenses of the Trustee, (ii) the fees and expenses of the Administrator, (iii) the fees and expenses of the Rebate Analyst, and (iv) the Issuer Fee, as specified in a *Series Supplement*.

"Program Account" means an Account by that name established pursuant to **Section 5.02(A)** and a *Series Supplement*.

"Proportionate Basis" shall mean, with respect to the redemption of Bonds, that the principal amount of Bonds of a particular maturity to be redeemed shall be determined by multiplying the total amount of funds available for redemption by the ratio which the principal amount of Bonds of such maturity then Outstanding bears to the aggregate principal amount of Bonds then Outstanding and subject to redemption. If, after applying funds as provided in the immediately preceding sentence, any funds remain available for redemption of Bonds, such remaining funds shall also be applied to the redemption of Bonds in order of maturity.

"Purchase Date" means any date specified in a *Series Supplement* on which the Master Servicer delivers Securities to the Trustee for purchase from moneys on deposit in the applicable subaccounts of the Program Account.

"Rating Agency" means Moody's Investors Service and any other national rating agency which has assigned and is maintaining an investment rating on the Bonds.

"Rebate Amount" means, with respect to a Series of Bonds, the amount defined in Treasury Regulation Section 1.148-3.

"Rebate Analyst" means Gilmore & Bell, P.C. or other firm of attorneys or accountants selected by the Issuers or the Trustee (with the approval of the Issuers) experienced in the computation of arbitrage rebate under Section 148 of the Code.

"Rebate Account" means an Account established pursuant to **Section 5.06** and a *Series Supplement*.

"Record Date" means the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day.

"Redemption Account" means an Account by that name established pursuant to **Section 4.01** and a *Series Supplement*.

"Rehabilitation Loan" means a Mortgage Loan that is made for the purpose of acquiring and rehabilitating a Home in accordance with the applicable Fannie Mae guidelines, and all other applicable provisions of the Agreement and the Code.

"Revenue Account" means an Account established pursuant to **Section 5.03** and a *Series Supplement*.

"Revenues" means all income, revenues, proceeds and other amounts received by the Trustee on behalf of the Issuers from or in connection with the Trust Estate with respect to each Series of Bonds delivered hereunder, and any and all interest, profits or other income derived from the investment of amounts in any Accounts or subaccounts established with respect to such Revenues (except amounts in the Rebate Accounts and any amounts required to be deposited therein or otherwise subject to the rebate requirements pursuant to **Section 5.06** hereof) pursuant to this Indenture, but shall not include any amount retained by the Master Servicer as a Servicing and Guaranty Fee.

"Securities" means the GNMA Securities, the Fannie Mae Securities and/or the Freddie Mac Securities.

"Securities Depositories" shall mean The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Issuers may designate in a Certification of the Issuers delivered to the Trustee.

"Security Purchase Price" means the GNMA Security Purchase Price, the Fannie Mae Security Purchase Price or the Freddie Mac Security Purchase Price, as applicable.

"Security Purchaser" means GKB Mortgage Markets, Inc.

"Security Purchase Agreement" means the Master GNMA Security Purchase Agreement among the Securities Purchaser, the Issuers and the Custodial Agent, as supplemented and amended from time to time.

"Series of Bonds" or "Bonds of a Series" means any Series of Bonds authorized by a *Series Supplement*, which may include Subordinated Bonds.

"*Series Supplement*" means a Supplemental Indenture executed and delivered by the Issuers and authorizing the delivery of one or more Series of Bonds in accordance with the terms and provisions hereof,

in substantially the form attached as **Exhibit B-2** hereto. In the event that Subordinated Bonds are issued as part of a Series of Bonds, the *Series Supplement* pursuant to which such Series of Bonds are issued shall be in substantially the form attached hereto as **Exhibit B-2** with appropriate modifications thereto as necessary to provide for such Subordinated Bonds.

"Servicing Agreement" means collectively, the Servicing Agreement, dated as of January 1, 2014, by and among the Issuers and the Master Servicer, and all amendments or supplements thereto.

"Servicing and Guaranty Fee" means, unless otherwise specified in a *Series Supplement*, a monthly amount equal to (i) with respect to the GNMA Securities, 1/12 of 0.50% per annum based upon the unpaid principal amount of a Mortgage Loan, which includes the servicing fee due to the Master Servicer and the GNMA Guaranty Fee, (ii) with respect to the Fannie Mae Securities, 1/12 of 0.50% per annum based upon the unpaid principal amount of a Mortgage Loan, which includes the servicing fee due to the Master Servicer and the Fannie Mae Guaranty Fee, and (iii) with respect to the Freddie Mac Securities, 1/12 of 0.50% per annum based upon the unpaid principal amount of a Mortgage Loan, which includes the servicing fee due to the Master Servicer and the Freddie Mac Guaranty Fee.

"Special Escrow Fund" means any escrow fund or funds established by the Issuers for the purpose of providing supplemental funds to the Trustee to be disbursed to pay a portion of the Security Purchase Price or to reimburse the Master Servicer or Security Purchaser I connection therewith. If specified by the Issuers in a *Series Supplement*, moneys disbursed from a Special Escrow Fund may be secured by one or more Zero Interest Notes.

"Special Reserve Fund" means the fund by that name created and established by **Section 5.02**.

"Subordinated Bonds" means any Bonds that constitute a portion of a Series of Bonds authorized by this Indenture and issued pursuant to a *Series Supplement* and that by their terms are junior in right of payment to all of the other Bonds of such Series and are payable solely from a Subordinated Debt Service Account.

"Subordinated Debt Service Account" means an Account by that name created and established by **Section 5.04** and a *Series Supplement*.

"Supplemental Indenture" means any indenture hereafter duly authorized under and in compliance with the Act and this Indenture, and entered into between the Issuers and the Trustee, which supplements, modifies or amends this Indenture, including a *Series Supplement*.

"Surplus Revenues" means amounts deposited in, or to be transferred to, a Redemption Account (excluding amounts deposited in, or to be transferred to, a Prepayment Subaccount) pursuant to **Section 5.04** hereof and a *Series Supplement*.

"State" means the State of Kansas.

"Targeted Area" means the Targeted Area as defined in the Agreement.

"Targeted Area Loan" means a Mortgage Loan with respect to a Home located in a Targeted Area.

"Targeted Area Subaccount" means a subaccount by that name within the Program Account established pursuant to **Section 5.02** hereof and a *Series Supplement*.

"Taxable Bonds" means any Bond the interest on which is includable in gross income of the holder thereof for Federal income tax purposes as specified in a *Series Supplement*.

"Tax Certificate" means the Tax Certificate of the Issuers dated the Issuance Date with respect to a Series of Bonds.

"Tax-Exempt Bonds" means Bonds specified as Tax-Exempt Bonds in a *Series Supplement*.

"Trust Estate" means the property described as the Trust Estate in the Granting Clauses hereof.

"Trustee" means UMB Bank, N.A., a national banking association having its principal corporate trust office in Kansas City, Missouri, or its successor, as Trustee hereunder as provided in **Section 8.01**.

"Underwriter" means George K. Baum & Company.

"USDA-RHS" means the Rural Housing Service, an agency of the Department of Agriculture of the United States of America or any successor thereto.

"USDA-RHS Guaranteed Mortgage Loan" means a Mortgage Loan guaranteed by USDA-RHS in accordance with the provisions of the Agreement.

"VA" means the Department of Veterans Affairs of the United States of America.

"VA Guaranteed Mortgage Loan" means a Mortgage Loan guaranteed by VA in accordance with the provisions of the Agreement.

"Zero Interest Note" means a promissory note executed by a Mortgagor in substantially the form attached to the Agreement, on which interest does not accrue and the principal amount of which is to be forgiven not earlier than one year after the date of its execution and delivery.

#### **Section 1.02. Interpretations.**

(A) (1) the terms "hereby," "hereof," "hereto," "herein" "hereunder" and any similar terms refer to this Indenture, and the term "heretofore" means before, and the term "hereafter" means after, the date of this Indenture;

(2) words of the masculine gender mean and include correlative words of the feminine and neuter genders, and words importing the singular number mean and include words importing the plural number, and vice versa;

(3) any headings preceding the text of the several Articles and Sections of this Indenture, and any table of contents, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect;

(4) words referencing the redemption or redeeming of a Bond or the calling of a Bond for redemption include the payment of such Bond at its stated maturity; and words importing the paying or redemption of Bonds shall include words referencing the paying or redemption of portions of Bonds;

(5) references to the payment of the Bonds shall be deemed to include references to the payment of interest thereon; and

(6) any moneys, documents, securities, obligations or other items received by the Trustee for the account of the Issuers pursuant to the terms of this Indenture, other than as compensation for services or reimbursement for expenses, shall be deemed to have been received by the Issuers.

(B) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Issuers, the Trustee and the Owners of the Bonds any right, remedy or claim under or by reason of this Indenture, or any covenant, condition or stipulation hereof. All covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuers and the Trustee, subject to **Section 11.02**, shall be for the sole and exclusive benefit of the Issuers, the Trustee and the Owners of the Bonds.

**Section 1.03. Content of Certification and Opinions.** Every certification or opinion provided for in this Indenture with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; (4) a statement as to whether, in the opinion of such person, such provision has been complied with; and (5) a statement that such person is authorized to execute and deliver such opinion or certificate.

Any such certification or opinion made or given by an officer of an Issuer, the Master Servicer, a Lender or the Administrator may be based, insofar as it relates to legal, accounting or Program matters, upon a certification or opinion of or representation by counsel, accountant or program consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certification, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certification or opinion made or given by counsel, accountant or program consultant may be based insofar as it relates to factual matters (with respect to which information is in the possession of the Issuers, the Master Servicer, the Lenders or the Administrator) upon a certification or opinion of or representation by an officer of the Issuers, the Master Servicer, a Lender or the Administrator, unless such counsel, accountant or program consultant knows, or in the exercise of reasonable care should have known, that the certification or opinion or representation with respect to the matters upon which such person's certification or opinion or representations may be based, as aforesaid, is erroneous. The same officer of an Issuer, the Master Servicer, a Lender or the Administrator, or the same counsel, accountant or program consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different officers, counsel, accountants or program consultants may certify to different matters, respectively.

## ARTICLE II

### THE BONDS

**Section 2.01. Authorization of Bonds; Determination of Interest Rates; Security.** The Issuers hereby authorize the issuance of bonds to be designated as "Sedgwick County, Kansas and Shawnee County, Kansas Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities

Program)" in the maximum aggregate principal amount of \$[PRINCIPAL AMOUNT], which bonds shall be issued in multiple separate Series. Each Series shall be identified by the year of issuance and a numerical suffix beginning with the number "1" (i.e., the first Series in 2017 shall be designated as: "Sedgwick County, Kansas and Shawnee County, Kansas Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), 2017 Series A-1"). In the event that any Subordinated Bonds are issued as part of a Series, the titles for the Bonds of such Series shall include such additional appropriate designations as the Issuers may determine to differentiate between the Subordinated Bonds and the other Bonds of such Series.

So long as there is not continuing an uncured Event of Default with respect to any Series of Bonds delivered hereunder, the Issuers may deliver a Series of Bonds by providing written notice (each a "Pricing Notice", in substantially the form attached hereto as **Exhibit B-1**) (which may be delivered by facsimile) to the Underwriter for each pricing date (each a "Pricing Date") and the proposed Issuance Date for such Series; provided, however, that no additional Series of Bonds shall be delivered hereunder unless the Issuers and the Trustee shall have received an opinion of Co-Bond Counsel to the effect that the delivery of such additional Series of Bonds is authorized and enforceable under the Act and by proper action of the Issuers, is in compliance with the terms of the Indenture, and will not cause the interest on a Series of Tax-Exempt Bonds to be included in gross income for Federal income tax purposes. The Pricing Date will be not earlier than the first Business Day after the date of delivery of the Pricing Notice to the Underwriter and not later than the 5<sup>th</sup> Business Day after such date of delivery. The Pricing Notice shall specify the principal amount of such Series, the principal amount of each term bond, the Series designation, the related Pricing Date and the related Issuance Date for such Series. Unless otherwise specified in the applicable Pricing Notice, for each Series, the Issuance Date shall be on the 35<sup>th</sup> day following the related Pricing Date, or if such day is not a Business Day, then on the first Business Day after such 35<sup>th</sup> day. On the Issuance Date, the Issuers shall execute and deliver a *Series Supplement* authorizing the delivery of a Series of Bonds.

Upon instructions from the Issuers, the Underwriter shall determine the maturity date or dates, interest rate and price to be borne by the bonds on each Pricing Date. The interest rate and price shall be specified in the applicable Series Notices and at the interest rate(s) and price(s) which, in the professional judgment of the Underwriter, taking into consideration prevailing market conditions and the program objectives of the Issuers, will enable the Underwriter to sell all of the bonds of each maturity on the applicable Pricing Date at the lowest yield.

Principal of the Bonds is payable by check or draft to the Owners thereof or their transferees on presentation at the principal corporate trust office of the Trustee or its successor. Interest on the Bonds is payable by check or draft of the Trustee mailed to the person in whose name the Bonds (or any predecessor Bonds) are registered on the registration books of the Trustee on the Record Date with respect to each Interest Payment Date; provided, however, that payment of such interest shall be made by electronic transfer to any Owner of any Bonds in an aggregate principal amount of at least \$1,000,000, if such Owner shall have requested in writing payment by such method and shall have provided the Trustee a request signed by such Owner and containing the bank name, address (within the continental United States) and account number and other necessary information for such purposes at least 15 days before the applicable Record Date. The principal of and interest on the Bonds are payable in lawful money of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

The Bonds are limited obligations of the Issuers and are not a lien or charge upon the funds or property of the Issuers, except to the extent of the pledge and assignment set forth in the Indenture and in the Bonds. The Bonds do not constitute an indebtedness or a loan of credit of the Issuers, the State or the

United States of America, within the meaning of any constitutional or statutory provisions. Neither the faith and credit nor the taxing power of Issuers or the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State, and said State is not liable for the payment thereof.

The rights, title and interest of the Trustee and the Owners of the Bonds in and to the estate pledged and assigned to it under this Indenture with respect to one Series of Bonds shall be applicable only to such Series of Bonds, and neither the Trustee nor the Owners of the Bonds of one Series shall have any claim to the estate pledged and assigned to another Series of Bonds issued hereunder.

Notwithstanding the limitation on the maximum principal amount of the Bonds that may be issued hereunder, no limit shall apply to the principal amount of Securities that may be acquired by the Securities Purchaser.

**Section 2.02. Terms of the Bonds.**

(A) Except as otherwise provided in a *Series Supplement*, the Bonds shall be issued in fully registered form in denominations of \$5,000 principal amount and integral multiples of \$5,000 principal amount in excess thereof. The Bonds shall be in substantially the form attached hereto as **Exhibit A** and shall be numbered and bear such other designation as the Trustee shall deem desirable; provided, however, that in the event that Subordinated Bonds are issued as part of a Series of Bonds, the *Series Supplement* pursuant to which such Series of Bonds are issued shall include forms of such Subordinated Bonds and the other Bonds of such Series, which forms shall be in substantially the form attached hereto as **Exhibit A** with appropriate modifications thereto.

(B) Each Bond shall bear interest from the Interest Payment Date next preceding the date thereof unless (i) it is dated after the Record Date with respect to an Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) it is dated prior to the first Interest Payment Date with respect thereto in which event it shall bear interest from the Issuance Date. If, as of an Interest Payment Date of any Bond, interest is in default on the Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment or if interest has never been paid on such Bond from the Issuance Date.

(C) Bonds of a Series may be or include either serial Bonds or term Bonds, or a combination thereof, and may be or include tax-exempt bonds, Taxable Bonds or Government Interest Subsidy Bonds, and may bear interest at variable or fixed rates which are payable currently or compounded and paid at maturity or upon redemption, or any combination thereof.

**Section 2.03. Execution of Bonds.** The Bonds of each Series shall be executed in the name and on behalf of the Issuers with the manual or facsimile signatures of the respective Chairpersons of the Boards of County Commissioners of each of the Issuers, attested by the manual or facsimile signature of the respective County Clerks of each of the Issuers, and shall have impressed or imprinted thereon, by facsimile or otherwise, the respective official seals of each of the Issuers. The County Clerks shall register the Bonds in their respective offices and shall execute the certificates of the Clerks on the Bonds to that effect by manual or facsimile signature. The State Treasurer shall register the Bonds of each Series in the municipal bond register of the State and shall execute the certificate of State Treasurer on the Bonds to that effect by manual signature. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Issuers before the Bonds so signed or attested shall have been authenticated or

delivered by the Trustee or issued by the Issuers, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Issuers as though those who signed and attested the same had continued to be such officers of the Issuers. Any Bond may also be signed and attested on behalf of the Issuers by such persons as at the actual date of execution of such Bond shall be the proper officers of the Issuers although at the nominal date of such Bond any such person shall not have been such officer of the Issuers.

Only such of the Bonds as shall bear thereon a certificate of authentication, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**Section 2.04. Transfer of Bonds.** The transfer of any Bond is registerable on the books required to be maintained pursuant to **Section 2.06** upon the surrender of such Bond for cancellation and registration of transfer at the principal corporate trust office of the Trustee, accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the Owner or by his attorney duly authorized in writing, provided, however, that the Trustee shall not be required (i) to transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Bond and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Bonds and ending at the close of business on the relevant Interest Payment Date therefor.

Whenever any Bond or Bonds shall be surrendered for transfer, the Issuers shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds, of the same Series and maturity and for a like aggregate principal amount. The Trustee shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Person in whose name any Bond shall be registered on the bond register shall be deemed and regarded as the absolute Owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. The Trustee may make a charge against an Owner for the reimbursement of any governmental charge required to be paid in the event that the Owner fails to provide a correct taxpayer identification number to the Trustee. Such charge may be deducted from any interest or principal payment due to the Owner.

The Trustee will keep on file at its principal corporate trust office a list of the names and addresses of the Owners of all Bonds and the certificate numbers of such Bonds held by each of such Owners. At reasonable times and under reasonable regulations established by the Trustee, the list may be inspected and copied by the Issuers or the Owners of 10% of the aggregate principal amount of Bonds then Outstanding or the authorized representative thereof, provided that the ownership of such owner and the authority of any such designated representative shall be evidenced to the satisfaction of the Trustee.

**Section 2.05. Exchange of Bonds.** Bonds of a Series may be exchanged at the aforesaid office of the Trustee for a like aggregate principal amount of Bonds of the same Series of authorized denominations, provided, however, that the Trustee shall not be required to exchange any Bond during the three days next preceding any date established by the Trustee for the selection of Bonds for redemption nor to exchange any Bonds called for redemption after its selection for redemption and prior to the

redemption date. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

**Section 2.06. Bond Register.** The Trustee will keep or cause to be maintained at its principal corporate trust office sufficient books for the registration and registration of transfer of the Bonds, which shall be open to inspection by the Issuers during regular business hours upon reasonable notice, and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register the transfer or cause to be registered the transfer, on such books, of Bonds as hereinbefore provided. The Issuers and the Trustee may treat the person in whose name a Bond is registered on the books for registration as the absolute owner thereof for all purposes and the Issuers and the Trustee shall not be affected by any notice to the contrary.

**Section 2.07. Temporary Bonds.** The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when available for delivery. Any temporary bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Issuers, shall be in registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Issuers and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. Except for the initial Bonds, if the Issuers issue temporary Bonds the Issuers will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the principal corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal or maturity amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

**Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Issuers, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the Issuers, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Issuers and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Issuers whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. In the event any such Bond shall have matured, the Trustee instead of issuing a replacement Bond may pay the same upon receipt of indemnity satisfactory to the Trustee and the Issuers.

**Section 2.09. Book-Entry Only System.**

(A) The Bonds of each Series shall be registered initially in the name of Cede & Co., as nominee of DTC.

(B) With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuers and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuers and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Bond register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Bond register, of the principal and interest, and premium, if any, with respect to the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the Issuers and the Trustee shall be entitled to treat and consider the person in whose name each Bond is registered in the Bond register as the absolute owner of such Bond for the purpose of payment of the principal and interest, and premium, if any, with respect to the Bonds, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal and interest, and premium, if any, with respect to the Bonds only to or upon the order of the respective Owners, as shown in the Bond register as provided in this Indenture, or their respective agents duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuers' obligations with respect to payment of the principal and interest, and premium, if any, with respect to the Bonds, to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond register, shall receive a Bond certificate evidencing the obligation of the Issuers to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the phrase "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(C) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuers and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(D) The Issuers, in their sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuers determine that (i) DTC is unable to discharge its responsibilities with respect to the Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(E) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection (D)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection (C) or subsection (D)(i) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuers, is willing and able to undertake such functions upon reasonable and customary terms, the Issuers are obligated to deliver Bond certificates at the expense of the beneficial owners of the Bonds, as described in this Indenture and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture. The Trustee may deduct fees, charges and expenses associated with registration, payment, transfer and redemption of certificates registered in the names of Owners, other than the nominee of DTC, from amounts payable to such Owners. The Issuers and the Trustee may conclusively rely on names, addresses and information regarding principal amounts held of the beneficial owners of the Bonds provided by DTC and DTC Participants.

(F) In the event that DTC resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuers may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

**Section 2.10. Payments to Cede & Co.** Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee to DTC, all payments with respect to such Bonds, all notices with respect thereto and rules governing exchange of Bonds and mutilated, lost, destroyed or stolen Bonds, shall be subject to the provisions of the Letter of Representations and any other applicable DTC book-entry only system rules and procedures.

### ARTICLE III

#### SALE OF SECURITIES TO SECURITIES PURCHASER; DUTIES OF THE CUSTODIAL AGENT

(a) The Trustee and the Issuers each acknowledge and agree that, pursuant to the Security Purchase Agreement, the Securities Purchaser will purchase Securities as provided in the Security Purchase Agreement. Unless the Issuers deliver a Pricing Notice with respect to particular Securities, no Bonds shall be issued with respect to such Securities, which shall be purchased by the Securities Purchaser.

(b) In order to facilitate the orderly purchase of the Securities by the Securities Purchaser for the benefit of the Issuer, the Master Servicer and the Securities Purchaser, the Issuers have requested and the Trustee, in its capacity as Custodial Agent, agrees, that the Custodial Agent shall use only funds provided by the Securities Purchaser, acquire Securities from the Master Servicer in the manner provided in the Security Purchase Agreement. Amounts provided by the Securities Purchaser are not part of the Trust Estate.

(c) The Trustee, the Issuers and each Owner, agree that they have no, and will assert no, right, title or interest in the Securities purchased by the Securities Purchaser.

### ARTICLE IV

#### REDEMPTION

**Section 4.01. Establishment and Application of Redemption Accounts and Prepayment Subaccounts for the Bonds.** The Trustee shall establish, maintain and hold in trust separate Accounts with respect to each Series of Bonds designated as the "Redemption Account" and within each Redemption Account, a separate "Prepayment Subaccount". The Trustee shall apply all amounts deposited in the applicable Redemption Account (or in the Revenue Account to the extent the Trustee determines that such amounts will become transferable to the Redemption Account on the following

redemption date) to the redemption of the Bonds of the related Series, in the manner and upon the terms and conditions specified in this Article or a *Series Supplement* at the next succeeding date of redemption for which, at the time of such deposit, notice of redemption can be given in accordance with this Article or a *Series Supplement*. Prepayments with respect to the Securities shall be deposited in the related Prepayment Subaccount immediately upon receipt thereof by the Trustee.

**Section 4.02. Redemption of the Bonds.** The Bonds of each Series shall be subject to redemption as described herein and in the *Series Supplement* relating to such Series.

**Section 4.03. Selection of Bonds for Redemption.**

(A) The Bonds of each Series shall be selected for redemption as described herein and in the *Series Supplement* relating to such Series.

(B) If Bonds of a particular Series and maturity are subject to redemption in part (other than by mandatory sinking fund installments), the sinking fund installments for such maturity shall be reduced on a Proportionate Basis from among all sinking fund installment amounts (treating each sinking fund installment as a separate maturity).

(C) If Bonds of a particular Series and maturity are redeemed in part, the Trustee shall select Bonds for redemption among authorized denominations in such equitable manner as the Trustee shall determine. In the event of a redemption of a particular Series and maturity of Bonds in part, redemption shall be from all Outstanding Bonds of such maturity and the Trustee shall assign to each Outstanding Bond a distinctive number for each \$5,000 of the principal amount of such Bond and shall select (in whatever manner the Trustee deems fair and appropriate) from the numbers assigned to such Bonds as many numbers as, at \$5,000 principal amount for each number, shall equal the principal amount of the Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned the numbers so selected but only so much of the principal amount of each Bond of a denomination of more than \$5,000 principal amount shall be redeemed as shall equal \$5,000 principal amount for each number assigned to it so selected.

**Section 4.04. Notice of Redemption.** Unless otherwise provided in a *Series Supplement*, notice of redemption with respect to any Series of Bonds shall be mailed not less than thirty (30) days nor more than thirty-five (35) days prior to the redemption date, to (i) the Owners of any Bonds, or portions thereof, designated for redemption at their addresses appearing on the registration books of the Trustee, (ii) the Securities Depositories and (iii) two or more Information Services; *provided, that* with respect to mandatory redemption occurring on a Nonorigination Redemption Date, such notice shall be mailed not less than fifteen (15) days nor more than thirty (30) days prior to the redemption date. Each notice of redemption shall state the redemption date, the place or places of redemption, the Bonds to be redeemed, including the Series designation, and, if less than all Bonds of a maturity are to be redeemed, the numbers of the Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed, and shall also state that on said date there will become due and payable on each of said Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Failure by the Trustee to give notice pursuant to this **Section 4.04** to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice, shall not affect the sufficiency of the proceedings for redemption. Failure by the Trustee to mail notice of redemption pursuant to this **Section 4.04** to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the

proceedings for redemption. Any defect in any notice shall not effect the proceedings for redemption of any Bond.

Notice of redemption shall be given by the Trustee for and on behalf of the Issuers. Such notice shall be deemed to have been given when mailed, first class postage prepaid, to the Owner of the Bond.

**Section 4.05. Partial Redemption of Bonds.** Upon surrender of any Bond redeemed in part only, the Issuers shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Issuers, a new Bond or Bonds of authorized denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

**Section 4.06. Effect of Redemption.** Notice of redemption having been duly given as aforesaid, and moneys being held by the Trustee for payment of the redemption price of, and interest accrued to the redemption date on, the Bonds so called for redemption on the redemption date designated in such notice, said Bonds shall become due and payable at the redemption price and on the redemption date specified in such notice and interest on the Bonds so called for redemption shall cease to accrue on such date. Said Bonds shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price and accrued interest.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled upon surrender thereof and destroyed by the Trustee in accordance with applicable law.

## ARTICLE V

### FLOW OF FUNDS

**Section 5.01. Application of Proceeds of Bonds.** Pursuant to the *Series Supplement* relating to each Series of Bonds, the Trustee may establish and maintain and thereafter hold in trust a separate Account for each Series of Bonds designated as the "Proceeds Account". All of the proceeds from the sale of a Series of Bonds shall be applied as provided in the *Series Supplement* pursuant to which such Series of Bonds was issued.

**Section 5.02. Establishment and Application of Program Accounts, Costs of Issuance Accounts and Special Reserve Fund.**

(A) With respect to each Series of Bonds delivered hereunder, the Trustee shall establish and maintain and thereafter hold in trust a separate Account designated as the "Program Account" and separate subaccounts therein designated as the "Acquisition Subaccount", the "Targeted Area Subaccount" and the "Capitalized Interest Subaccount". Moneys in each Program Account shall be withdrawn solely for (1) the acquisition of Securities from the Master Servicer on a Purchase Date at the applicable purchase price of such Securities as set forth in the Agreement, (2) the redemption of Bonds pursuant to the redemption provisions specified in the *Series Supplement* relating to the applicable Series of Bonds, (3) transfers to the applicable Rebate Account pursuant to **Section 5.06**, (4) payment of deferred Costs of Issuance as specified in the *Series Supplement* relating to the applicable Series of Bonds, or (5) any other transfer described herein or in the *Series Supplement* relating to the applicable Series of Bonds. Prior to purchasing a Security from the Master Servicer, the Trustee shall be provided with information certified to by the Master Servicer as to (x) the principal amount of Mortgage Loans in the Mortgage Pool represented by such Security which are Mortgage Loans with respect to Homes in Targeted Areas, and (y) the principal amount of Mortgage Loans in the Mortgage Pool represented by such Security which are

Mortgage Loans with respect to Homes not located in Targeted Areas. On each Purchase Date for a Security, the Trustee shall disburse amounts held in the Acquisition Subaccount of the Program Account to pay the Security Purchase Price attributable to Securities backed by Mortgage Loans with respect to Homes not located in Targeted Areas and shall disburse amounts held in the Targeted Area Subaccount of the Program Account to pay the Security Purchase Price attributable to Securities backed by Mortgage Loans with respect to Homes located in Targeted Areas; *provided*, that at any time after the date specified therefor in the *Series Supplement* relating to the applicable Series of Bonds the Trustee may disburse amounts held in the Targeted Area Subaccount of the Program Account to pay the Security Purchase Price with respect to Securities backed by Mortgage Loans with respect to Homes *not* located in Targeted Areas; *provided further*, that, if specified in a *Series Supplement*, a portion of the Security Purchase Price may be disbursed from amounts available in a Special Escrow Fund.

The principal portion and the premium portion of the applicable Security Purchase Price shall be paid from amounts on deposit in the related Acquisition Subaccount, Targeted Area Subaccount, and/or Special Escrow Fund, as described above. The maximum principal amount of Securities to be purchased from an Acquisition Subaccount shall be the amount specified in the *Series Supplement* relating to the applicable Series of Bonds. The maximum principal amount of Securities to be purchased from a Targeted Area Subaccount shall be the amount specified in the *Series Supplement* relating to the applicable Series of Bonds.

On each Purchase Date on which Securities are purchased, the Trustee shall make additional transfers from (i) the Special Escrow Fund and (ii) the related Acquisition Subaccount or Targeted Area Subaccount, as specified in the *Series Supplement* relating to the applicable Series of Bonds.

Fees payable by Lenders in connection with the exercise of the Extended Final Purchase Option shall be deposited as provided in the applicable *Series Supplement*.

Amounts in the Acquisition Subaccount and the Targeted Area Subaccount on the related Final Purchase Date (after the purchase of any Securities on such date), and available to purchase the principal portion of Securities, shall be transferred on the related Nonorigination Redemption Date to the Redemption Account in accordance with the *Series Supplement* relating to the applicable Series of Bonds for the special mandatory redemption of Bond principal on each Nonorigination Redemption Date. Any redemption premium shall be withdrawn from the Acquisition Subaccount (with respect to redemption of Bonds from amounts on deposit in the Acquisition Subaccount) and from the Targeted Area Subaccount (with respect to redemption of Bonds from amounts remaining on deposit in the Targeted Area Subaccount).

Each Final Purchase Date and the related Nonorigination Redemption Date may be extended one or more times as to all or any part of such amount (but in no event shall a Final Nonorigination Redemption Date be later than 42 months after the related Issuance Date), if (a) a request therefor has been filed by the Master Servicer with the Trustee not later than ten (10) Business Days prior to the then established Final Purchase Date specifying the amount to be extended, (b) the Issuers shall have provided to the Trustee an opinion of Co-Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes and a Cash Flow Analysis demonstrating that such extension will not materially adversely affect the availability of Revenues sufficient to make timely payment of principal of and interest on the applicable Series of Bonds and all Program Expenses with respect to such Series of Bonds, (c) the Trustee shall have received any additional moneys as required by the Cash Flow Analysis together with an opinion of counsel that such moneys are not subject to the provisions of Sections 362(a) and 547(b) of the United States Bankruptcy Code, and (d) the Rating Agency shall have been notified by the Issuers of the intent to

authorize such extension and shall have provided to the Issuers written confirmation that such extension will not adversely affect the rating on the Bonds.

Notwithstanding any other provisions of this Indenture, the Trustee shall not disburse any amounts held in a Program Account to purchase a Security unless each of the following conditions has been satisfied:

- (a) the Security bears interest at the applicable Pass-Through Rate; and
- (b) the Trustee has physical possession of the Security or evidence as to a book entry with respect thereto in the name of the Trustee or its nominee.

Notwithstanding any other provisions of this Indenture, any *Series Supplement* may specify that amounts held in the Program Account created pursuant to such *Series Supplement* shall be disbursed only to acquire one or more specified types of Securities (i.e., GNMA Securities, Fannie Mae Securities and/or Freddie Mac Securities).

(B) The Trustee shall establish and maintain a separate Account for each Series of Bonds designated as the "Costs of Issuance Account" and amounts deposited in the Costs of Issuance Account pursuant to **Section 5.01** and the *Series Supplement* relating to the applicable Series of Bonds shall be disbursed to pay Costs of Issuance for the Bonds of the related Series upon receipt by the Trustee of written instructions of the Issuers stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said Account.

(C) Amounts in a Capitalized Interest Subaccount shall be applied to pay debt service with respect to the related Series of Bonds and Program Expenses due on any Interest Payment Date if there are insufficient moneys in the related Revenue Account, or for any other purpose permitted under this Indenture and the related *Series Supplement*. Amounts in a Capitalized Interest Subaccount on the date which is six (6) months after the related final Nonorigination Redemption Date shall be transferred to the related Revenue Account, unless otherwise provided in the related *Series Supplement*.

(D) There is hereby established the "Special Reserve Fund" to be held by the Trustee. Amounts in the Special Reserve Fund shall be disbursed by the Trustee to the Issuers to be applied by the Issuers to reimburse the Master Servicer for losses incurred as a result of the failure of the Issuers to make timely payment of the purchase price of Securities properly tendered for purchase under the Servicing Agreement. On January 29, 2014, the Issuers shall deposit \$250,000 into the Special Reserve Fund. The Issuers shall deposit additional funds into the Special Reserve Fund from time to time in accordance with the provisions of the Servicing Agreement. Amounts on deposit in the Special Reserve Fund after December 31, 2015, and not required to be retained therein pursuant to the provisions of the Servicing Agreement, shall be returned to the Issuers.

### **Section 5.03. Establishment and Application of Revenue Accounts.**

(A) The Trustee shall maintain and hold in trust a separate Account for each Series of Bonds delivered hereunder designated as the "Revenue Account". All Revenues related to a Series of Bonds shall be deposited to the related Revenue Account; *provided, that* Prepayments shall be deposited to the Prepayment Subaccount of the related Redemption Account. All Revenues shall be held by the Trustee in trust for the benefit of the Owners at any time of the related Series of Bonds; and the Issuers shall have no

beneficial right or interest in any of such moneys, except as otherwise expressly provided in this Indenture.

(B) The Securities acquired by the Trustee on behalf of the Issuers shall be held at all times by the Trustee in trust for the benefit of the Owners of the related Series of Bonds and shall be registered in the name of the Trustee or its nominee or credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to such corporation which corporation shall be registered as a clearing agency under the Securities Exchange Act of 1934.

The GNMA Securities acquired by the Trustee from amounts on deposit in a Program Account established with respect to a Series of Bonds shall be held at all times by the Trustee in trust for the Owners of such Series of Bonds and shall be held in book-entry form as described in this subsection. The Trustee shall not disburse any amounts held in an Acquisition Account or a Targeted Area Account to purchase a GNMA Security unless the Trustee shall have been furnished with (1) a GNMA Security, registered in the name of the Trustee; or (2) a GNMA Security credited to the account of the Trustee at a clearing corporation as defined under and pursuant to the Uniform Commercial Code applicable to the clearing corporation and the clearing corporation is registered as a clearing agency under the Securities Exchange Act of 1934; or (3) for a GNMA Security that is issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the GNMA Security shall have been registered on the books of the Federal Reserve Bank or successor depository institution in the name of the Trustee (acting as a "depository" within the meaning of 24 C.F.R. Section 81.44(b)), and the Trustee shall have received confirmation in writing that the depository is holding such GNMA Security on behalf of, and has identified such GNMA Security on its records as belonging to, the Trustee. With respect to all GNMA Securities acquired with the proceeds of Bonds, the Trustee will cause the Master Servicer to collect and remit all payments due on the GNMA Securities to: (i) in the case of GNMA I Securities, the Trustee or, to the extent Federal Reserve System is effecting book-entry transfers of such GNMA Securities, Federal Reserve System; or (ii) in the case of GNMA II Securities, the then designated Central Paying and Transfer Agent, or, to the extent the Federal Reserve System is effecting book-entry transfers of such GNMA Securities, the Federal Reserve System. The Trustee shall cause the Master Servicer to designate to the Trustee the amounts of such moneys (including such amounts received from GNMA pursuant to a GNMA Guaranty) derived from regularly scheduled principal payments, Prepayments and interest on Mortgage Loans or other moneys with respect to Mortgage Loans underlying the GNMA Securities.

If the Trustee does not receive payment or advice of payment with respect to a GNMA I Security when due by the close of business on the fifteenth day of any month (with respect to a GNMA I Security in the physical possession of the Trustee) or the seventeenth day of any month (with respect to a GNMA I Security in book-entry form with the Federal Reserve System), the Trustee shall immediately notify the Master Servicer and, to the extent the GNMA Securities are held in book-entry form, the Federal Reserve System, or its successor and, if not so paid, demand payment from GNMA. If the Trustee does not receive a payment or advice of payment with respect to a GNMA II Security by the close of business on the twentieth day of any month (with respect to a GNMA II Security in the physical possession of the Trustee) or the twenty-second day of any month (with respect to a GNMA II Security in book-entry form with the Federal Reserve System), the Trustee shall immediately notify the then designated Central Paying and Transfer Agent, and, to the extent the GNMA Securities are held in book-entry form, the Federal Reserve System, or its successor, and demand payment in immediately available funds of the payment due, and, if not so paid, demand payment from GNMA. If any of the days when payments are due as specified in this paragraph are not Business Days, then, if such payments are received not later than the second succeeding Business Day following the day specified, no action shall be required to be taken by the Trustee.

The Fannie Mae Securities acquired by the Trustee from amounts on deposit in the Program Account shall be held at all times by the Trustee in trust and shall be held in book-entry form as described in this subsection. A Fannie Mae Security will be issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the Fannie Mae Security shall have been registered on the books of the Federal Reserve Bank in the name of the Trustee (acting as a "depository" within the meaning of 24 C.F.R. Section 81.44(b)), and the Trustee shall have received confirmation from the depository that it is holding such Fannie Mae Security on behalf of, and has identified such Fannie Mae Security on its records as belonging to, the Trustee. If the Trustee does not receive payment or advice from the depository of payment with respect to a Fannie Mae Security when due by the close of business on the twenty-fifth day of any month (or the next Business Day if the twenty-fifth day is not a Business Day), the Trustee shall demand payment from Fannie Mae in connection with the guaranty of timely payments of principal and interest by Fannie Mae.

The Freddie Mac Securities acquired by the Trustee from amounts on deposit in the Program Account shall be held at all times by the Trustee in trust and shall be held in book-entry form as described in this subsection. A Freddie Mac Security will be issued in book-entry form through the book-entry system of the Federal Reserve System, pursuant to which the Freddie Mac Security shall have been registered on the books of the Federal Reserve Bank in the name of the Trustee (acting as a "depository" within the meaning of 24 C.F.R. Section 81.44(b)), and the Trustee shall have received confirmation from the depository that it is holding such Freddie Mac Security on behalf of, and has identified such Freddie Mac Security on its records as belonging to, the Trustee. If the Trustee does not receive payment or advice from the depository of payment with respect to a Freddie Mac Security when due by the close of business on the twentieth day of any month (or the next Business Day if the twentieth day is not a Business Day), the Trustee shall demand payment from Freddie Mac in connection with the guaranty of timely payments of principal and interest by Freddie Mac.

(C) Neither the Issuers nor the Trustee shall sell or otherwise dispose of the Securities after their acquisition for an amount less than an amount sufficient, together with other amounts then held under this Indenture and available for the payment of principal of and interest on the Series of Bonds for the benefit of which such Securities have been pledged, to provide for the payment of all Outstanding Bonds of such Series in accordance with **Article X** and the payment of all fees and expenses of the Trustee pursuant to **Section 8.02**, and any such sale shall be subject to the conditions of the related *Series Supplement*.

**Section 5.04. Establishment of Other Accounts, Allocation of Revenues.** The Trustee shall establish, maintain and hold in trust the following separate Accounts for each Series of Bonds delivered hereunder: (1) the Interest Account, (2) the Principal Account, (3) the Subordinated Debt Service Account, if any Subordinated Bonds are issued as part of such Series of Bonds, and (4) the Program Expense Account. On the last Business Day prior to each Interest Payment Date, the Trustee shall transfer amounts from the Revenue Account to the other Accounts established for a Series of Bonds, as follows, by depositing:

*First:* Into the related Rebate Account the amount required by **Section 5.06** hereof;

*Second:* Into the related Interest Account an amount equal to the amount of interest becoming due and payable with respect to the applicable Series of Bonds on the next Interest Payment Date; provided that no such transfer need be made if the amount on deposit in the Interest Account is at least equal to the aggregate amount of interest becoming due and payable on such Interest Payment Date upon all Bonds of said Series then Outstanding;

**Third:** Into the related Principal Account an amount equal to the amount of principal becoming due and payable with respect to the applicable Series of Bonds on the next Interest Payment Date, whether at maturity or pursuant to mandatory sinking fund redemption; provided that no such transfer need be made if the amount on deposit in the Principal Account is at least equal to the aggregate amount of principal becoming due and payable on such Interest Payment Date on all Bonds of said Series then Outstanding;

**Fourth:** Into the related Subordinated Debt Service Account an amount equal to the amount of principal and interest becoming due and payable with respect to the Subordinated Bonds that are a part of the applicable Series of Bonds on the next Interest Payment Date; provided, that no transfer need be made if the amount on deposit in the Subordinated Debt Service Account is at least equal to the aggregate amount of principal and interest becoming due and payable on such Interest Payment Date on all Subordinate Bonds that are a part of said Series then Outstanding;

**Fifth:** Into the Program Expense Account the amounts necessary to pay Program Expenses of the related Series of Bonds then due and payable; and

**Sixth:** Into the related Redemption Account (but not prior to the date, if any, specified in the *Series Supplement* relating to the applicable Series of Bonds), the balance, if any, in excess of \$10,000 on deposit in the Revenue Account.

Amounts on deposit in a Revenue Account shall also be applied to the payment of accrued interest on Bonds of the applicable Series to be redeemed on any date other than an Interest Payment Date. Subject to the satisfaction of the terms of the immediately preceding paragraph, on the 45th day prior to each Interest Payment Date, the Trustee shall estimate (based upon the balances in the related Accounts and any payments of interest and principal due on the related Securities prior to the Interest Payment Date) the surplus to be available for transfer to the related Redemption Account prior to the succeeding Interest Payment Date (under clause *Sixth* above) and shall provide notice of redemption to the Owners with respect to such amount in accordance with **Section 4.04** hereof.

The funding requirements of each Account (including the making up of any deficiencies in any such Account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit shall be satisfied before any transfer is made to any Account subsequent in priority.

**Section 5.05. Application of Program Expense Accounts.** Amounts in the Program Expense Account shall be used and withdrawn by the Trustee for the purpose of paying the Program Expenses when due.

**Section 5.06. Establishment and Application of Rebate Accounts.**

(A) The Trustee shall establish, maintain and hold in trust a separate Account for each Series of Bonds delivered hereunder designated as the "Rebate Account". No later than each anniversary of the Issuance Date and upon retirement of the last Bond, the Issuers shall cause an appropriate accounting to be prepared and shall notify the Trustee in writing of the amount to be transferred from the Revenue Account to the Rebate Account (or from the Rebate Account to the Revenue Account) for the preceding year calculation period. The Trustee shall transfer such amount so that the amount in the Rebate Account is equal to the Rebate Amount at the end of such year (after giving effect to any payments made pursuant to this Section to the United States). No later than 60 days after the 5th anniversary of the Issuance Date

(and every 5 years thereafter) there shall be paid by the Trustee, at the written direction of the Issuers, to the United States the required Rebate Amount. Not later than 30 days after retirement of the Bonds any unpaid Rebate Amount shall be paid to the United States. The Trustee shall be deemed conclusively to have complied with the provisions of this **Section 5.06** if it follows the written directions of the Issuers and shall have no liability or responsibility to enforce compliance by the Issuers with the terms of this **Section 5.06**.

(B) All amounts in the Rebate Account shall be used and withdrawn by the Trustee as required above solely for the purposes set forth in this **Section 5.06**. In the event that the amount in the Rebate Account is for any reason insufficient to pay to the United States the amounts due as calculated pursuant to this Section, there shall be transferred to the Rebate Account the amount of such deficiency by withdrawing said amount from the following Accounts in the following order of priority, regardless of any other claim on such Accounts: (1) the Revenue Account; (2) the Redemption Account; or (3) any other Account established pursuant to this Indenture.

**Section 5.07. Application of Interest Accounts and Principal Accounts.**

(A) Subject to **Section 5.09**, all amounts in each Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the related Series of Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity), except that moneys in an Interest Account shall not be used to pay interest on any Subordinated Bonds.

(B) Subject to **Section 5.09**, all amounts in each Principal Account shall be used and withdrawn by the Trustee solely for the purposes of paying principal of the related Series of Bonds (including mandatory sinking fund payments) as it shall become due and payable, except that money in a Principal Account shall not be used to pay principal on any Subordinated Bonds.

**Section 5.08. Application of Subordinated Debt Service Accounts** All amounts in each Subordinated Debt Service Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest and principal (including mandatory sinking fund payments) on that portion of the related Series of Bonds that are Subordinated Bonds as it shall become due and payable (including accrued interest on any Subordinated Bonds redeemed prior to maturity).

**Section 5.09. Deficiencies in the Interest Accounts or Principal Accounts.**

(A) In the event that the amount in the Interest Account is insufficient to pay interest on the Bonds when due, the Trustee shall transfer to the Interest Account the amount of such deficiency by withdrawing said amount from the following Accounts in the following order of priority: (1) the Revenue Account, (2) the Capitalized Interest Subaccount, (3) the Redemption Account (unless notice of redemption with respect to such amounts has been given) and (4) the Principal Account.

(B) In the event that the amount in the Principal Account is insufficient to pay the principal of the Bonds (including the mandatory sinking fund payments thereon) when due, the Trustee shall transfer to the Principal Account the amount of such deficiency by withdrawing said amount from the following Accounts in the following order of priority: (1) the Revenue Account, (2) the Redemption Account (to the extent notice of redemption with respect to amounts to be transferred has not yet been given), or (3) any other Account established pursuant to this Indenture (except the Interest Account and the Rebate Account to the extent of the Rebate Amount and the Program Expense Account).

**Section 5.10. Investment of Moneys in Accounts.** All moneys in any of the Accounts established pursuant to this Indenture shall be invested by the Trustee upon the written direction of the Issuers in Investment Securities. Absent written direction of the Issuers, the Trustee may invest moneys in any of the Accounts established pursuant to this Indenture in those investments described in clauses (6) of the definition of Investment Securities.

On the Issuance Date of each Series of Bonds, the Issuers hereby direct the Trustee to enter into the Investment Agreements specified in the *Series Supplement* authorizing the issuance of the applicable Series of Bonds. The Trustee shall invest all funds on deposit in the applicable Accounts and Subaccounts created pursuant to the *Series Supplement* (excluding the Costs of Issuance Account and the Rebate Account) in the Investment Agreements.

Moneys in all Accounts established under this Indenture shall be invested in Investment Securities paying interest and maturing not later than the dates on which it is estimated that such moneys will be required by the Trustee for the Bonds.

Investment Securities acquired as an investment of moneys in any Account established under this Indenture shall be credited to such Account. For the purpose of determining the amount in any such Account, all Investment Securities credited to such Account shall be valued at the lesser of cost or par value (plus, prior to the first payment of interest following purchase, the amount of any accrued interest paid as part of the purchase price and exclusive of accrued interest after the first payment of interest following purchase); provided, however, that any repurchase agreements or investment agreements shall be valued, respectively, at the unpaid repurchase price or principal balance collectible pursuant thereto.

All interest, profits and other income earned from investment of all moneys in any Account, other than a Rebate Account established under this Indenture, shall be deposited when received in the Revenue Account. All interest, profits and other income earned from investment of all moneys in any Rebate Account established under this Indenture shall be retained in such Account.

Subject to **Section 6.08**, moneys in the Accounts may be commingled or segregated for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in particular Accounts those amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Accounts to which they are credited and otherwise as provided in this Indenture. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the Account to which such Investment Security is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment or the sale thereof. The Trustee agrees to provide notice to the providers of the Investment Agreements at the time and in the manner required thereby in order to make timely payment of amounts due with respect to the Bonds. The Trustee may act as principal or agent in the acquisition or disposition of any investments.

## ARTICLE VI

## PARTICULAR COVENANTS

**Section 6.01. Punctual Payment.** The Issuers shall punctually pay or cause to be paid the principal amount of the Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to their maturity, the amount to be paid shall be the redemption price of such Bonds and all unpaid interest thereon to the redemption date, in strict conformity with the terms of such Bonds and of this Indenture, according to the true intent and meaning thereof but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

**Section 6.02. Extension of Payment of Bonds.** The Issuers shall not, directly or indirectly, extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any of the claims for interest with respect to such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Issuers to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

**Section 6.03. No Other Encumbrances.** The Issuers shall not create or permit the creation of any pledge, lien, charge or other encumbrance upon the Revenues or other assets pledged or assigned under this Indenture while any of the Bonds of the applicable Series are Outstanding, except the pledge and assignment created by this Indenture.

**Section 6.04. Power to Issue Bonds and Make Pledge and Assignment.** The Issuers are duly authorized pursuant to the Constitution and laws of the State, including the Act, to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be legal, valid and binding limited obligations of the Issuers in accordance with their terms, and the Issuers and Trustee, subject to the provisions of **Article VIII** hereof, shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of the Revenues and other assets and all the rights of the Owners under this Indenture against all claims and demands of all Persons whatsoever.

**Section 6.05. Payment of Taxes and Claims.** The Trustee (upon the written direction of the Issuers) shall, from time to time but solely from funds available therefor under this Indenture, duly pay and discharge, or cause to be paid and discharged, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the Revenues or other assets pledged or assigned under this Indenture to the Bonds, when the same shall become due, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon such Revenues or other assets or which might impair the security of such Bond.

**Section 6.06. Accounting Records and Financial Statements.** The Trustee shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds of each Series, the Revenues, the Securities and Mortgage Loans with respect to the Bonds of each Series and all Accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Issuers or the Rating Agency and by the Owners of at least 10% of the aggregate principal amount of

Bonds of the applicable Series then Outstanding, or by the agents or representatives thereof duly authorized in writing, at reasonable hours and under reasonable circumstances.

The Issuers and the Trustee shall also provide to the applicable Rating Agency such information as the Rating Agency shall reasonably request, including, but not limited to, the periodic reports customarily required to be submitted in order to maintain the investment rating on the Bonds. The Trustee shall also provide such information to those other persons as the Issuers shall reasonably request at the expense of such persons.

**Section 6.07. Maintenance of Powers.** So long as any Bonds remain Outstanding, the Issuers shall preserve their existence as political subdivisions of the State, and will not be dissolved or lose their respective rights to exist as such or lose any rights necessary to enable them to function and to maintain the Revenues. The Issuers shall at all times use their best efforts to maintain the powers, functions, duties and obligations now reposed in them pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

**Section 6.08. Tax Covenants.**

(A) The Issuers shall not use or permit the use of any proceeds of Tax-Exempt Bonds or any other funds of the Issuers, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Issuers or Trustee with respect to the Mortgage Loans in any manner, and shall not take or permit to be taken, to the best of their knowledge, any other action or actions, which would cause any Tax-Exempt Bond to be an "arbitrage bond". In the event that at any time the Issuers are of the opinion that for purposes of this subsection (A) it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Issuers shall file a written request to such effect with the Trustee, and the Trustee shall use its best efforts consistent with the requirements of the Investment Agreements or any other investment to take such action as may be necessary in accordance with such instructions.

(B) In connection with the foregoing covenant, the Issuers hereby further covenant that they shall in good faith attempt to meet all the applicable requirements of Section 143 of the Code before the Mortgage Loans are executed. The Issuers shall establish reasonable procedures to insure compliance with such requirements. Such procedures shall include reasonable investigations by the Issuers, the Administrator or the Lender to determine that such Mortgage Loans satisfy such requirements. The Issuers shall require that a Mortgage Loan may be assumed only if the Administrator has determined that the conditions of Treasury Regulations Section 6a.103A-2(j)(3) (or any successor provision) are satisfied. Any failure of such a Mortgage Loan, the residence financed thereby or the Mortgagors with respect thereto to meet such requirements shall be corrected within a reasonable period after such failure is discovered. The Issuers will comply with all restrictions and limitations detailed in the Tax Certificate. The Issuers shall require that any person (or any "related person" as defined in Section 144(a)(3) of the Code) from whom it may acquire Securities shall not, pursuant to an arrangement, formal or informal, purchase Bonds in an amount related to the amount of Securities to be purchased from such Person.

(C) The Issuers shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuers on the Tax-Exempt Bonds shall be excluded from gross income for federal income tax purposes, including, but not limited to, to the extent necessary, forgiving all or a portion of the amounts due under the Mortgage Loans. The Issuers shall not use or permit the use of any proceeds of the Bonds or any other funds of the Issuers, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which

would result in any of the Tax-Exempt Bonds being treated as an obligation not described in Section 103(a) of the Code.

**Section 6.09. Compliance with Indenture, Contracts, Laws and Regulations.** The Issuers and the Trustee shall faithfully observe and perform all the covenants, conditions and requirements of this Indenture as required of the Issuers and the Trustee, respectively, and the Issuers shall not issue any Bonds in any manner other than in accordance with this Indenture, and shall not suffer or permit any default to occur hereunder or do or permit to be done anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Indenture, the Issuers shall comply with the terms, covenants and provisions, express or implied, of all contracts concerning or affecting the application of proceeds of the Bonds or the Securities, the Mortgage Loans or the Revenues. The Issuers and the Trustee shall comply promptly, fully and faithfully with and abide by any statute, law, ordinance, order, rule or regulation, judgment, decree, direction or requirement now in force or hereafter enacted, adopted, prescribed, imposed or entered by any competent governmental authority or agency applicable to or affecting the Program or the Mortgage Loans.

**Section 6.10. Program Covenants.**

(A) The Issuers shall enforce the covenants and obligations of the Trustee hereunder, from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the Program, this Indenture, all other applicable laws and regulations and with sound banking practices and principles, use and apply the amounts held in the Program Account to purchase Securities on the Purchase Dates, and do all such acts and things necessary to produce Revenues sufficient to pay when due the principal of and interest on the Bonds, and shall take all steps, actions and proceedings reasonably necessary in the judgment of the Issuers to cause the Trustee to enforce the terms, covenants and conditions of the Securities, the Agreement and the Investment Agreements.

The Administrator shall supervise, or cause to be supervised, each Lender's compliance with the Agreement. In the event the Program Administration Agreement or any Agreement shall be cancelled or terminated as to the Administrator or a Lender for any reason, the Trustee and the Issuers shall take all steps necessary to replace such Administrator or Lender with successor parties, in accordance with the provisions of the Agreement, the Program Administration Agreement, and the requirements of GNMA, Fannie Mae and Freddie Mac, but subject to the approval of the Issuers.

(B) Subject to **Section 6.08**, amounts in each Program Account shall be used to purchase only Securities which are backed by Mortgage Loans which are in compliance with the Act and the Program, and which, in the aggregate have scheduled payments of principal and interest at least sufficient, together with other expected Revenues, to pay when due the principal of and interest on the Bonds of the related Series and the Program Expenses.

(C) The Issuers shall cause the Administrator to enforce the provisions of the Agreement which provide that the Lenders shall cause either mortgage insurance or guaranties issued by FHA, USDA-RHS, VA or a PMI Insurer, as required by the Agreement, to be in effect for each Mortgage Loan backing a Security.

(D) The Issuers shall enforce the provisions of the Agreement which require that no Mortgage Loan shall be sold, assigned or otherwise disposed of by a Lender, except (1) pursuant to a covenant to repurchase contained herein or in the Agreement, (2) to correct any failure of the Mortgage Loan, the related residence or the related Mortgagor to meet the requirements of Section 143 of the Code, (3) in

connection with any action or proceedings taken in the event of default on any Mortgage Loan or as may be necessary for the purpose of realizing the benefits of mortgage or title insurance with respect to such Mortgage Loan, or (4) for assignment to GNMA, Freddie Mac or Fannie Mae upon issuance by the Lender of the related GNMA Security, Freddie Mac Security or Fannie Mae Security, as applicable. Subject to the provisions of this subsection and the approval of GNMA, Freddie Mac or Fannie Mae, as applicable, any Mortgage Loan may be sold, assigned or otherwise disposed of, and the Issuers and the Trustee, through the Administrator, shall direct the Lender to take all necessary action and execute and deliver all necessary instruments to confirm any such sale, assignment or disposition and to vest title to the Mortgage Loan in the purchaser, assignee or other recipient thereof.

(E) The Issuers covenant to make Mortgage Loans funded with proceeds of the Bonds of each Series available in Targeted Areas for a period ending not earlier than the date specified in the *Series Supplement* relating to the related Series in an amount necessary to comply with the requirements of the Code.

The Issuers, in order to comply with the covenants set forth in this Section and the applicable *Series Supplement*, shall enter into any necessary agreements, including agreements with Lenders pursuant to which one or more Lenders agrees to purchase from any Lender Targeted Area Loans in the principal amount specified in the *Series Supplement*, if the Trustee does not have adequate funds to purchase Targeted Area Loans from amounts on deposit in the related Targeted Area Subaccount of a Program Account.

(F) The Issuers shall not, without the written consent of the Trustee, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement which relates to or affects the security for the Bonds. The Trustee shall not consent to any change in the maturity of any Security.

(G) The Issuers and the Trustee shall not consent to the modification of, or modify, the rate or rates of interest, or the amount or time of payment of any installment of interest or principal, or the security for or any of the terms or provisions of any Mortgage Loan or any insurance on or with respect thereto in any manner which would result in the failure of such Mortgage Loan to satisfy the conditions set forth in subsection (B) of this Section or which would materially impair the security of the Bonds.

(H) The Issuers shall not amend, modify or supplement the Agreement or consent to any such amendment, modification or supplementation, without the written consent of the Trustee. The Trustee shall give such written consent only if the Trustee first obtains the written consents of the Owners of a majority of the aggregate principal amount of Bonds then Outstanding to such amendment, modification or termination; provided, that such consents shall not be required if the Trustee receives an opinion of bond counsel to the effect that either (1) such changes will not materially adversely affect the interests of the Owners or result in any material impairment of the security hereby given for the payment of the Bonds, or (2) such amendment is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

**Section 6.11. Waiver of Laws.** The Issuers shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension provision of law now or at any time hereafter in force that may adversely affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Issuers to the extent permitted by law.

**Section 6.12. Further Assurances.** The Issuers will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out

the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Indenture.

**Section 6.13. Notices to Rating Agency.** The Issuers shall notify the Rating Agency in writing with respect to any amendments to this Indenture or other financing documents, the termination of or material changes to any investment agreement, the resignation or removal of the Trustee, and the defeasance of all or any portion of the Bonds. The Issuers shall also provide additional information relating to the Bonds reasonably requested by the Rating Agency.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES OF OWNERS

**Section 7.01. Events of Default.** The following events shall be considered Events of Default with respect to each Series of Bonds:

(A) default in the due and punctual payment of the principal amount or redemption price of any Bond of the applicable Series other than any Subordinated Bonds constituting a part of such Series when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption, by declaration or otherwise;

(B) default in the due and punctual payment of any installment of interest on any Bond of the applicable Series other than any Subordinated Bonds constituting a part of such Series when and as such interest installment shall become due and payable; or

(C) default by the Issuers in observance of any of the covenants, agreements or conditions on their part contained in this Indenture, the applicable *Series Supplement* or in the Bonds of the applicable Series (other than in clauses (A) or (B) above), if such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Issuers by the Trustee, or to the Issuers and the Trustee by the Owners of not less than a majority in aggregate principal amount of Bonds of the applicable Series at the time Outstanding; provided, however, that the failure to make payment of the principal amount, redemption price or interest on any Subordinated Bonds when due if the amount then available for such purpose in the applicable Subordinated Debt Service Account is not sufficient for such purpose shall not constitute an Event of Default with respect to the Series of Bonds of which such Subordinated Bonds are a part.

*Notwithstanding any other provision of this Indenture, the occurrence of an Event of Default with respect to one Series of Bonds shall not constitute an Event of Default with respect to any other Series of Bonds.*

**Section 7.02. Acceleration of Maturity.** If an Event of Default shall occur with respect to a Series of Bonds, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon an Event of Default under **Section 7.01(A) or (B)** at the written direction of not less than a majority of the aggregate principal amount of Bonds of such Series then Outstanding or upon an Event of Default under **Section 7.01(C)** at the written direction of the Owners of not less than 100% of the aggregate principal amount of Bonds of such Series then Outstanding shall, upon notice in writing to the Issuers, declare the principal of all the Bonds of such Series then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and

shall be immediately due and payable, anything in this Indenture, the related *Series Supplement* or in the Bonds of such Series contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Issuers shall deposit, or cause to be deposited, with the Trustee a sum sufficient to pay the principal amount or redemption price of and installments of interest on the Bonds of such Series payment of which is overdue, with interest on such overdue principal at the rate borne by the Bonds of such Series, and the reasonable fees, charges and expenses of the Trustee (including, without limitation, attorneys' fees and expenses), and any and all other defaults known to the Trustee (other than in the payment of principal amount or redemption price of and interest on the Bonds of such Series due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Owners of not less than a majority in aggregate principal amount of Bonds of such Series then Outstanding, by written notice to the Issuers and to the Trustee, may, on behalf of the Owners of all the Bonds of such Series, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

**Section 7.03. Application of Revenues and Other Funds After Default.** If an Event of Default with respect to the Bonds of a Series shall occur and be continuing, all Revenues and any other amounts then held or thereafter received by the Trustee under any of the provisions of this Indenture (exclusive of any Rebate Amount and subject to **Section 11.10**) shall be applied by the Trustee as follows and in the following order of priority:

(A) Notwithstanding any other provision of the Indenture limiting the Trustee's fees, to the payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel and of the Issuers), incurred in and about the performance of its rights, powers and duties under this Indenture and the related *Series Supplement*;

(B) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds of such Series;

(C) To the payment of the principal amount or redemption price of and interest then due on the Bonds of such Series (upon presentation and surrender of the Bonds of such Series to be paid) subject to the provisions of this Indenture (including **Section 7.02**), unless the principal amount and redemption price of all the Bonds of such Series shall have become or have been declared due and payable, as follows:

*First:* To the payment to the Persons entitled thereto of all installments of interest then due with respect to the Bonds of such Series other than any Subordinated Bonds constituting a part of such Series in the order of the maturity of such installments, and if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference;

*Second:* To the payment to the Persons entitled thereto of the unpaid principal amount or redemption price of the Bonds of such Series other than any Subordinated Bonds constituting a part of such Series which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by such

Bonds, and, if the amount available shall not be sufficient to pay in full all such Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the principal amount or redemption price due on such date to the Persons entitled thereto, without any discrimination or preference;

*Third:* To the payment to the Persons entitled thereto of all installments of interest then due with respect to the Subordinated Bonds constituting a part of such Series in the order of the maturity of such installments, and if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

*Fourth:* To the payment to the Persons entitled thereto of the unpaid principal amount or redemption price of the Subordinated Bonds constituting a part of such Series which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by such Bonds, and, if the amount available shall not be sufficient to pay in full all such Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the principal amount or redemption price due on such date to the Persons entitled thereto, without any discrimination or preference.

(D) If the principal amount or redemption price of all the Bonds of such Series shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds of such Series (upon presentation and surrender of the Bonds of such Series to be paid subject to the provisions of this Indenture, as follows:

*First,* To the payment of the principal and interest then due and unpaid upon the Bonds of such Series other than the Subordinated Bonds constituting a part of such Series, with interest on the overdue principal at the rate borne by such Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, according to the amounts due respectively for principal and interest to the Persons entitled thereto without any discrimination or preference; and

*Second,* To the payment of the principal and interest then due and unpaid upon the Subordinated Bonds constituting a part of such Series, with interest on the overdue principal at the rate borne by such Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any such Bond over any other such Bond, according to the amounts due respectively for principal and interest to the Persons entitled thereto without any discrimination or preference.

The payments of Rebate Amount required by **Section 5.06** to be made to the United States with respect to each Series of Bonds shall continue even if an Event of Default shall have occurred and be continuing.

**Section 7.04. Trustee to Represent Owners.** The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds of each Series, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact

of the Owners of each Series of Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds of each Series, this Indenture, the applicable *Series Supplement*, the Agreement, the Act and applicable provisions of any other law. Upon the occurrence and continuance of any Event of Default or other occasion giving rise to a right in the Trustee to represent the Owners, the Trustee in its discretion may, and upon the written request of the Owners of not less than 25% of the aggregate principal amount of Bonds of the applicable Series then Outstanding, and upon being indemnified as provided in **Section 8.01(N)** hereof and being advised by counsel, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate suit, action, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under this Indenture, the related *Series Supplement*, the Act or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right to the appointment of a receiver of the Revenues and other assets pledged to receive the Bonds of the related Series under this Indenture and the related *Series Supplement*, pending such proceedings. All rights of action under this Indenture, the applicable *Series Supplement*, or any Series of Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds of such Series or the production thereof in any proceedings relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of Bonds of such Series subject to the provisions of this Indenture.

**Section 7.05. Owners' Direction of Proceedings.** Anything in this Indenture to the contrary notwithstanding, the Owners of a majority of the aggregate principal amount of Bonds of a Series then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder with respect to the Bonds of such Series, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, the applicable *Series Supplement*, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would subject the Trustee to liability against which it has not been indemnified as provided in **Section 8.01(N)** hereof or which in the opinion of counsel rendered to the Trustee would be unjustly prejudicial to Owners of Bonds of such Series not parties to such direction.

**Section 7.06. Limitation on Owners' Right to Sue.** No Owner of a Bond of any Series shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the related *Series Supplement*, the Act or any other applicable law with respect to such Bond, unless: (A) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (B) the Owners of not less than 25% of the aggregate principal amount of Bonds of such Series then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (C) such Owner or said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, as provided in **Section 8.01(N)** hereof; and (D) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by an Owner of any Series of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of such Series of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the

security of this Indenture or the rights of any other Owners of such Series of Bonds, or to enforce any right under this Indenture, the Act or other applicable law with respect to such Series of Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds of such Series, subject to the provisions of this Indenture.

**Section 7.07. Absolute Obligation of Issuers.** Nothing in this Indenture, the applicable *Series Supplement* or in the Bonds of any Series contained shall affect or impair the obligation of the Issuers, which is absolute and unconditional, to pay the principal amount or redemption price of and interest on the Bonds of any Series to the respective Owners of the Bonds of such Series at their dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged to the Bonds of such Series, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds of such Series.

**Section 7.08. Termination of Proceedings.** In case any proceedings taken by the Trustee or any one or more Owners of Bonds of a Series on account of any Event of Default with respect to the Bonds of such Series shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Owners, then in every such case the Issuers, the Trustee and such Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Issuers, the Trustee and such Owners shall continue as though no such proceedings had been taken.

**Section 7.09. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds of any Series is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**Section 7.10. No Waiver of Default.** No delay or omission of the Trustee or of any Owner of the Bonds of a Series to exercise any right or power arising upon the occurrence of any Event of Default with respect to such Bonds of such Series shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners of the Bonds of such Series may be exercised from time to time and as often as may be deemed expedient.

## ARTICLE VIII

### THE TRUSTEE

**Section 8.01. Duties, Immunities and Liabilities of Trustee.**

(A) The Trustee shall, prior to an Event of Default with respect to a Series of Bonds, and after the curing of any such Event of Default which may have occurred, perform with respect to the Bonds of such Series such duties and only such duties as are specifically set forth in this Indenture and the related *Series Supplement*, and no implied covenants or obligations shall be read into this Indenture, the applicable *Series Supplement* or any other agreement relating hereto against the Trustee. The Trustee shall, during the existence of any Event of Default with respect to each Series of Bonds which has not been cured, exercise such of the rights and powers vested in it by this Indenture with respect to such

Series of Bonds, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(B) The Issuers may remove the Trustee at any time unless an Event of Default or condition that with the giving of notice or the passage of time or both may constitute an Event of Default, shall have occurred and then be continuing. The Issuers shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority of the aggregate principal amount of all Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (E) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee, and the Issuers shall appoint a successor Trustee by an instrument in writing, provided, however, that notice of the appointment of any such successor trustee shall be given to the Rating Agency.

(C) The Trustee may at any time resign by giving written notice of such resignation to the Issuers and by giving the Owners notice of such resignation by written notice sent by first-class mail, but such resignation shall not be effective until the successor Trustee shall have been appointed and has accepted such appointment as herein provided. Upon receiving such notice of resignation, the Issuers shall promptly appoint a successor Trustee by an instrument in writing, provided, however, that notice of the appointment of any such successor trustee shall be given to the Rating Agency.

(D) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Promptly upon such acceptance, the Issuers shall give written notice thereof to the Owners of all Series of Bonds Outstanding in writing by first-class mail. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of himself and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Issuers and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein and the duties and obligations of the predecessor Trustee hereunder shall cease and terminate; but, nevertheless at the request of the Issuers or the request of the successor Trustee, and upon the approval by the Issuers of the records and accounts of the predecessor Trustee, a release of the predecessor Trustee by the Issuers, and the payment of the fees and expenses owed to the predecessor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Issuers shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations.

(E) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be (i) a trust company, national banking association or bank having the powers of a trust company and having either trust assets of at least \$100,000,000 or a combined capital and surplus of at least \$20,000,000, (ii) subject to supervision or examination by federal or state authority and (iii) eligible to maintain a book-entry account with a Federal Reserve Bank. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time a Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), such Trustee shall resign immediately in the manner and with the effect specified in this Section.

(F) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all its corporate trust business, provided such company shall be eligible under subsection (E) of this Section, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

(G) 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.

(H) The Trustee shall not be required to take notice or be deemed to have taken notice hereunder of (i) any event which would constitute a default hereunder or (ii) a default under the Agreement, except (x) an Event of Default under **Section 7.01(A)** or **(B)** hereof or (y) if the Trustee has actual notice of such event or Event of Default, unless the Trustee shall be specifically notified in writing by the Issuers or by the Owners of not less than 25% of the aggregate principal amount of Bonds of the affected Series then Outstanding. If an Event of Default occurs of which the Trustee is by this subsection required to take notice, or if notice of an Event of Default is given as provided in this subsection, then the Trustee shall, within 30 days, give written notice thereof to the Owners of all Bonds then Outstanding, unless such Event of Default has been cured or waived.

(I) The Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(J) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or conveying rights and duties or affording protection to the Trustee whether in its capacities as Trustee, paying agent, registrar or in any other capacity, shall be subject to the provisions of this **Article VIII**.

(K) The Trustee may rely conclusively upon and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises or the Issuers, personally or by agent or attorney.

(L) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through receivers, agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any receiver, agent or attorney appointed with due care by it hereunder.

(M) The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuers with the same rights it would have if it were not Trustee.

(N) Notwithstanding any provision of this Indenture to the contrary, the Trustee shall not be under any obligation or duty to perform any act which would involve it in any expense or liability or to institute or defend any suit in respect of the Bonds, or to advance any of its own moneys, unless properly indemnified to its satisfaction by the Issuers, the Owners or other Person against the attorneys' fees and costs, other fees, expenses and liabilities, including, without limitation, liability concerning environmental liability and the cleanup thereof, which may be incurred thereby solely from moneys available hereunder or by the Owners. The Trustee shall not be personally liable with respect to (i) an error of judgment made in good faith by a responsible officer of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts, or (ii) any action taken, suffered or omitted to be taken by it in good faith, in accordance with the directions of Owners of not less than 25% of the aggregate principal amount of the applicable Series of 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. The immunities, exemptions and indemnifications from liability of the Trustee under this Indenture shall extend to its directors, officers, employees and agents. Whenever this Indenture provides that the Trustee shall take any action, including the giving of any notice, or refrain from taking any action upon the happening or continuation of a specified event or upon the fulfillment of any condition or upon the request of the Owners, the Trustee shall have no liability for failure to take such action or for failure to refrain from taking such action, unless and until the responsible officer of the Trustee at the Trustee's principal office has actual knowledge of such event or continuation thereof or the fulfillment of such condition or shall have received such request. Responsible officer means, in the case of the Trustee, any Vice President or other officer in the Corporate Trust Department of the Trustee.

(O) Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or Event of Default hereunder or thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. The Trustee shall not be responsible for the recording or filing of any document relating to this Indenture or of financing statements (other than continuation statements in connection therewith) or of any supplemental instruments or documents of further assurance as may be required by law in order to perfect the security interests in any collateral given to or held by it, or for the validity of the execution by the Issuers of this Indenture or any Supplemental Indenture.

**Section 8.02. Compensation.** The Trustee shall receive from time to time reasonable compensation for all services rendered under this Indenture which together with all reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Indenture; provided that such amounts with respect to each Series of Bonds shall not exceed, except as provided in **Section 7.03(A)** hereof, the amount provided for Trustee's fees and expenses in the definition of Program Expenses. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional

compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefore. Upon the occurrence of an Event of Default and during its continuance, the Trustee shall have a first lien with right of payment prior to payment on account of amounts representing principal, premium, if any, or interest with respect to any Bond, upon all moneys in its possession under any provision hereof for the foregoing advances, fees, costs and expenses incurred and unpaid.

**Section 8.03. Liability of Trustee.** The recitals of facts herein and in the Bonds contained shall be taken as statements of the Issuers, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture, any other agreement relating hereto or the Bonds or in respect of the security afforded by this Indenture for the Bonds, and shall incur no responsibility in respect thereof or with respect to the issuance of Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Issuers, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee may become the owner of Bonds and be a Lender with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or Holders, whether or not such committee shall represent the Owners of a majority of the aggregate principal amount of Bonds then Outstanding.

The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture. . The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Any action taken by the Trustee pursuant to this Indenture upon the request or authorized 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 delivered in exchange therefor or upon transfer or in substitution thereof.

At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right, but shall not be required, to inspect any and all books, papers and records of the Issuers pertaining to this Indenture and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

The Trustee shall not be required to give any bond or surety in respect to the execution of its trusts and powers hereunder or otherwise with respect to the premises.

The Trustee shall have the right, but shall not be required, to demand, with respect to the execution 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 by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right to the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

**Section 8.04. Right of Trustee to Rely on Documents.** The Trustee may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order,

certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Issuers or the Trustee, with regard to all matters of trust hereof, and the Trustee may conclusively rely upon the advice or an opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture or a *Series Supplement* the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certification of the Issuers, and such Certification shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certification, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as the Trustee deems reasonable.

**Section 8.05. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture or a *Series Supplement* with respect to the Bonds shall be retained in its possession for a period of six years after payment in full of the Bonds as provided in **Section 10.2** hereof, and shall be subject at all reasonable times to the inspection of the Issuers, the Rating Agency and the Owners of at least 10% of the aggregate principal amount of Bonds then Outstanding or by their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

**Section 8.06. Money Held in Trust.** Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as to accounting for income received from Investment Securities purchased at the written direction of the Issuers in accordance with **Section 5.10** of this Indenture. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article V.

## ARTICLE IX

### MODIFICATION OR AMENDMENT OF THE INDENTURE

#### **Section 9.01. Amendments Permitted.**

(A) This Indenture and the rights and obligations of the Issuers and of the Owners of the Bonds of a Series and of the Trustee may be modified or amended at any time by a Supplemental Indenture which shall become effective when the written consent of the Owners of a majority of the aggregate principal amount of each Series of Bonds then Outstanding shall have been filed with the Trustee; provided, that if the proposed modification or amendment shall affect only one Series of Bonds delivered hereunder, such amendment or modification shall become effective when the written consent of the Owners of a majority of the aggregate principal amount of Bonds of the affected Series then Outstanding shall have been filed with the Trustee. No such modification or amendment shall (1) extend the stated maturity of a Bond of any Series, or reduce the amount or principal thereof, or reduce the rate of interest thereon, or extend the time of payment of interest thereof without the consent of the Owner of each Bond of the Series so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (3) permit the creation of

any lien on the Revenues and other assets pledged under this Indenture to the Bonds of a Series prior to the lien created by this Indenture, or deprive the Owners of the Bonds of a Series of the lien created by this Indenture upon such Revenues and other assets (except as expressly provided in this Indenture), or (4) authorize the sale or other disposition of the Securities acquired with the proceeds of a Series of Bonds after their acquisition for an amount less than an amount sufficient, together with other amounts then held under this Indenture and available for the payment of principal of and interest on the Bonds of the related Series, to provide for the payment of all Outstanding Bonds of the related Series pursuant to **Article X** without the consent of the Owners of all the aggregate principal amount of Bonds of such Series then Outstanding. It shall not be necessary for the consent of the Owners of the Bonds to approve the particular form of any Supplemental Indenture; it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Issuers and the Trustee of any Supplemental Indenture pursuant to this Subsection (A), the Trustee shall mail a notice to each affected Owner by first-class mail, setting forth in general terms the substance of such Supplemental Indenture. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of such Supplemental Indenture.

(B) This Indenture and the rights and obligations of the Issuers and of the Owners of a Series of Bonds may also be modified or amended at any time by a Supplemental Indenture, which shall become effective upon execution (or such later date as may be specified in such Supplemental Indenture) by the Issuers and the Trustee, without the consent of any Owners of the Bonds of a Series, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Issuers in this Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuers;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to any matter or question arising under or in any matters relating to this Indenture, as the Issuers may deem necessary or desirable, and which shall not materially adversely affect the interests of the Owners;

(3) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds;

(4) to modify, amend or supplement this Indenture in such manner as in the opinion of Co-Bond Counsel shall be necessary to preserve the exclusion of interest on any Tax-Exempt Bond from federal gross income and which shall not materially adversely affect the interests of the Owner of any Bond;

(5) to obtain, or maintain, a rating from a Rating Agency; or

(6) to authorize the delivery of a Series of Bonds pursuant to a *Series Supplement*.

(C) In connection with the execution and delivery of a Supplemental Indenture, the Trustee shall receive an opinion of Co-Bond Counsel to the effect that the Supplemental Indenture is authorized and enforceable under the Act and by proper action of the Issuers and that execution and delivery of the

Supplemental Indenture is in compliance with the terms of the Indenture and will not cause the interest on any Series of Tax-Exempt Bonds to be included in gross income for Federal income tax purposes.

**Section 9.02. Effect of Supplemental Indenture.** From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuers, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. All Supplemental Indentures shall be filed with the Rating Agency.

**Section 9.03. Endorsement of Bonds; Preparation of New Bonds.** Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuers and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the principal corporate trust office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Issuers or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Issuers and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Issuers and authenticated by the Trustee, and upon demand of the Owners of any Bonds then Outstanding shall be exchanged at the designated corporate trust office of the Trustee, without cost to any Owner, for Bonds then Outstanding, upon surrender for cancellation of such then Outstanding Bonds in equal aggregate principal amounts of the same Series and maturity.

**Section 9.04. Amendment of Particular Bonds.** The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

## ARTICLE X

### DEFEASANCE

**Section 10.01. Discharge of Indenture.** If the Issuers shall pay and discharge the entire indebtedness on all Outstanding Bonds of any Series in any one or more of the following ways:

(A) by paying or causing to be paid the principal amount or redemption price of and interest on the Bonds Outstanding of such Series, as and when the same become due and payable;

(B) by depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in **Section 10.03**) to pay or redeem all Outstanding Bonds of such Series; or

(C) by delivering to the Trustee, for cancellation by it, all of the Outstanding Bonds of such Series;

and if the Issuers shall also pay or cause to be paid all other sums payable hereunder by the Issuers (including Trustee's fees and expenses) with respect to the Bonds of such Series, then and in that case, at the election of the Issuers (evidenced by a Certification of the Issuers, filed with the Trustee, signifying

the intention of the Issuers to discharge all such indebtedness), and notwithstanding that any Bonds of such Series shall not have been surrendered for payment, the pledge of Revenues and other assets made under this Indenture and the applicable *Series Supplement*, and all covenants, agreements and other obligations of the Issuers under this Indenture with respect to the Bonds of such Series shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon request of the Issuers, the Trustee shall (i) cause an accounting for such period or periods with respect to the Trust Estate as shall be reasonably requested by the Issuers to be prepared and filed with the Issuers, and (ii) execute and deliver to the Issuers all such instruments as may be necessary or desirable to evidence such discharge and satisfaction of the Bonds of such Series. The discharge of the obligations of the Issuers under this Indenture with respect to the Bonds of such Series shall be without prejudice to the rights of the Trustee to charge for and be reimbursed by the Issuers for any expenditures which it may thereafter incur in connection with such discharge.

**Section 10.02. Discharge of Liability on Bonds.** Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in **Section 10.03**) to pay or redeem an Outstanding Bond of a Series (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in **Article IV** provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Issuers in respect of such Bond shall cease, terminate and be completely discharged, and the Owner thereof shall thereafter be entitled only to payment from such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of **Section 10.04**.

The Issuers may at any time surrender to the Trustee for cancellation by it any Bonds previously issued and delivered that the Issuers may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

**Section 10.03. Deposit of Money or Securities with Trustee.** Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds of any Series, the money or securities so to be deposited or held may include money or securities held by the Trustee in the Accounts established pursuant to this Indenture (exclusive of the Rebate Account to the extent of the Rebate Amount) and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in **Article IV** provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) noncallable Investment Securities described in clause (1) of the definition thereof in **Section 1.01** and which are not redeemable in advance of their maturity at the option of the issuer thereof or any other Person (other than the holder thereof), the principal of and interest on which when due will provide money sufficient to pay the principal amount or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal amount or redemption price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in **Article IV** or provision satisfactory to the Trustee shall have been made for the giving of such notice; provided further that in each case, that the Trustee shall have been irrevocably instructed (by the

terms of this Indenture or by request of the Issuer) to apply such money to the payment of such principal amount or redemption price and interest with respect to such Bonds; provided further that any such advance deposit shall be accompanied by (i) a report of a certified public accountant or other qualified person or firm verifying the mathematical computations of the adequacy of the maturing principal and interest on the escrowed securities and uninvested cash in the escrow account to pay, when due, the principal and interest on the Bonds, (ii) an opinion of counsel that such advance deposit shall not be subject to the provisions of Sections 362(a) and 547(b) of the United States Bankruptcy Code, and (iii) an opinion of Co-Bond Counsel to the effect that such advance deposit shall not adversely affect the exclusion of interest on any Tax-Exempt Bond from gross income for federal income tax purposes.

**Section 10.04. Payment of Bonds After Discharge of Indenture.** Notwithstanding any provisions of this Indenture, any moneys held by the Trustee in trust for the payment of the principal amount or redemption price of, or interest on, any Bonds and remaining unclaimed for two years after the principal amount or redemption price of all the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Indenture), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all the Bonds became due and payable, shall, upon request of the Issuers and subject to the unclaimed property laws of the State, be repaid to the Issuers by the Trustee without liability for interest thereon, free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01. Liability of Issuers Limited to Revenues.** Notwithstanding anything in this Indenture or in the Bonds to the contrary, the Issuers shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal amount or redemption price of or interest on the Bonds of any Series or for any other purpose of this Indenture. Nevertheless, the Issuers may, but shall not be required to, advance for any of the purposes hereof any funds of the Issuers which may be made available to it for such purposes.

**Section 11.02. Successor is Deemed Included in All References to Predecessor.** Whenever in this Indenture either the Issuers or the Trustee are named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Issuers or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.03. Limitation of Rights to Parties and Owners.** Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Issuers, the Trustee and the Owners of the Bonds of each Series, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Issuers, the Trustee and the Owners of the Bonds of each Series.

**Section 11.04. Waiver of Notice.** Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive

such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 11.05. Cancellation and Destruction of Bonds.** Whenever in this Indenture provision is made for the cancellation of any Bonds, the Trustee shall cancel such Bonds and deliver a certificate of such cancellation to the Issuers. In accordance with applicable law, after any required holding period, the Trustee shall destroy such Bonds.

**Section 11.06. Severability of Invalid Provisions.** If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Issuers hereby declare that they would have entered into this Indenture and each and every section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereon irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

**Section 11.07. Notices.** Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given (except in the case of Owners of Bonds), upon receipt, when delivered or mailed by registered or certified mail, postage prepaid, return receipt requested, or sent by facsimile, receipt confirmed by telephone, addressed to the appropriate Notice Address. The Issuers, the Trustee and each Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, Securities or other communications shall be sent. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given to the Owners of Bonds when mailed by first-class mail, postage prepaid, to the address of the Owner as shown on the Bond register.

**Section 11.08. Evidence of Rights of Owners.** Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners of the Bonds may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners of the Bonds in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent other than the assignment of the ownership of a Bond shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Issuers if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and of every Bond issued upon transfer thereof, in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuers in accordance therewith or reliance thereon.

**Section 11.09. Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver

under this Indenture, Bonds which are registered in the name of the Issuers shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledge shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Issuers or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

**Section 11.10. Money Held for Particular Bonds.** The money held by the Trustee for the payment of the interest, principal amount or redemption price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto without liability for interest, subject, however, to the provisions of **Section 10.04**.

**Section 11.11. Accounts.** Any Account required by this Indenture to be established and maintained by the Trustee with respect to the Bonds may be established and maintained in the accounting records of the Trustee as an Account and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated as such Account; but all such records with respect to all such Accounts shall at all times be maintained in accordance with generally accepted corporate trust practice, and with due regard for the requirements of **Section 6.06** and for the protection of the security of the Bonds and the rights of every Owner thereof.

**Section 11.12. Waiver of Personal Liability.** No officer, agent or employee of the Issuers shall be individually or personally liable for the payment of the principal amount or redemption price of or interest on the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

**Section 11.13. Execution in Several Counterparts.** The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Issuers and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument. Copies, faxes, facsimiles, electronic files and other reproductions of original executed documents are authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 11.14. Payments Other Than on a Business Day.** Any payments required to be made or any other action required to be taken pursuant to this Indenture which are otherwise required to be taken on a day which is not a Business Day, shall be made or taken on the next succeeding day which is a Business Day.

**Section 11.15. Applicable Provisions of Law.** This Indenture shall be governed by and construed in accordance with the laws of the State.

**Section 11.16. 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 or Sections of this Indenture.

**Section 11.17. No Discrimination.** The Trustee shall not discriminate in its employment practices against any employee or applicant for employment because of the applicant's race, creed, religion, national origin, sex, age or physical handicap. The Issuers agree that all subcontracts awarded under this Indenture shall contain a like provision.

**Section 11.18. Cooperation Provisions.** This Indenture, the Agreement and the Program Administration Agreement shall constitute a cooperation agreement pursuant to K.S.A. 12-5231, as amended, by and between the Issuers.

**Section 11.19. Electronic Transactions.** The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

IN WITNESS WHEREOF, the Issuers have caused this Indenture to be signed and attested in their respective names by their duly authorized officers and representatives and their respective seals to be hereunto affixed, and the Trustee in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed and attested in its corporate name by its duly authorized officers and representatives, as of the day and year first above written.

**SEDGWICK COUNTY, KANSAS**

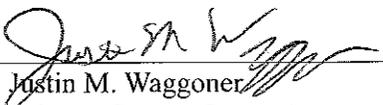
By: \_\_\_\_\_  
Name: David M. Unruh  
Title: Chairman, Board of County Commissioners

(Seal)

ATTEST:

By: \_\_\_\_\_  
Name: Kelly Arnold  
Title: County Clerk

APPROVED AS TO FORM

By:  \_\_\_\_\_  
Name: Justin M. Waggoner  
Title: Assistant County Counselor

SHAWNEE COUNTY, KANSAS

By: \_\_\_\_\_  
Chairman, Board  
of County Commissioners

(Seal)

ATTEST:

\_\_\_\_\_  
County Clerk

**UMB BANK, N.A., as Trustee**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF BONDS**

**SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS  
[ ] TAXABLE [ ] SINGLE FAMILY MORTGAGE REVENUE BONDS  
(MORTGAGE-BACKED SECURITIES PROGRAM)  
20\_\_ SERIES [A-\_\_]**

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL AMOUNT: \$ \_\_\_\_\_**

**NUMBER: BOND DATE: MATURITY DATE: INTEREST RATE: CUSIP:**

**R-- \_\_\_\_\_, 20\_\_ 1, 20\_\_ \_\_\_\_\_%**

Sedgwick County, Kansas and Shawnee County, Kansas (jointly, the "Issuers"), political subdivisions of the State of Kansas (the "State"), pursuant to K.S.A. 12-5219 et seq. (the "Act"), for value received, promise to pay (but only out of the revenues and other assets pledged therefor) to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above (subject to any right of prior redemption as set forth in the Trust Indenture, dated as of [ ] MONTH 1, 2017 (the "Master Indenture"), as supplemented by the 20\_\_ Series [A-\_\_] Series Supplement, dated \_\_\_\_\_, 200\_\_ (the "Series Supplement", together with the Master Indenture, the "Indenture") by and between the Issuers and UMB Bank, N.A., Kansas City, Missouri, as trustee), the Principal Amount specified above and to pay interest thereon, solely from said revenues and assets, from the Interest Payment Date (as hereinafter defined) next preceding the date of registration of this Bond unless this Bond is registered on or before the first Interest Payment Date, in which event it shall bear interest from the Bond Date, until payment of such Principal Amount shall be discharged as provided in the Indenture, at the Interest Rate set forth above, payable each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 200\_\_ (each an "Interest Payment Date").

Principal hereof is payable by check or draft to the Owner hereof or its transferees on presentation at the principal corporate trust office of the Trustee. Interest hereon is payable by check or draft of the Trustee mailed to the person in whose name the Bonds are registered on the registration books of the Trustee on the Record Date (as defined below) with respect to each Interest Payment Date; provided, however, that payment of such interest shall be made by electronic transfer to any Owner of any Bonds in an aggregate principal amount of at least \$1,000,000, if such Owner shall have requested in writing payment by such method and shall have provided the Trustee a request signed by such Owner and containing the bank name, address (within the continental United States) and account number and other necessary information for such purposes at least 15 days before the applicable Record Date. The principal of and interest on the Bonds are payable in lawful money of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. "Record Date" means the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a business day.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUERS AND ARE NOT A LIEN OR CHARGE UPON THE FUNDS OR PROPERTY OF THE ISSUERS, EXCEPT TO THE EXTENT OF THE PLEDGE AND ASSIGNMENT SET FORTH IN THE INDENTURE AND IN THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR A LOAN OF CREDIT OF THE ISSUERS, THE STATE OF KANSAS, ANY POLITICAL SUBDIVISION THEREOF, OR THE UNITED STATES OF AMERICA, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUERS OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE BONDS ARE NOT A DEBT OF THE STATE, AND THE STATE IS NOT LIABLE FOR THE PAYMENT THEREOF. THE BONDS ARE SECURED SEPARATELY FROM ALL OTHER SERIES OF BONDS ISSUED PURSUANT TO THE MASTER INDENTURE.

The rights, title and interest of the Trustee in and to the estate pledged and assigned to it under the Indenture with respect to the Bonds shall be applicable only to the Bonds, and neither the Trustee, nor the Owners of the Bonds shall have any claim to the estate pledged and assigned to any other Series of Bonds issued under the Indenture.

This Bond is one of a duly authorized issue of Bonds designated as Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) 20\_\_ Series [A-\_\_] (the "Bonds"), issued under, secured by and entitled to the protection of the Indenture and the Series Supplement for the purpose of making available funds to finance mortgage loans for single-family residences through the purchase by the Trustee on behalf of the Issuers of mortgage-backed securities (the "Securities"). Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuers, the Trustee and the owners of the Bonds and the terms and conditions upon which the Bonds will be deemed to be paid, at or prior to the Maturity Date or redemption of the Bonds, upon the making of provision for the payment thereof in the manner set forth in the Indenture.

The Bonds are subject to special mandatory redemption (at the respective redemption prices set forth in the Indenture) prior to their stated maturity, as follows:

- (1) as a whole or in part from amounts on deposit in the Program Account which have not been expended for the purchase of Securities on each Nonorigination Redemption Date;
- (2) as a whole or in part on each Interest Payment Date from amounts on deposit in the Redemption Account (representing principal prepayments on the Mortgage Loans backing the Securities and certain surplus revenues); and
- (3) as a whole on any date whenever amounts in the Revenue Account and the Redemption Account are sufficient to redeem the Bonds.

The Bonds shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the principal amounts specified in the Indenture.

The Bonds shall be subject to optional redemption on the dates and at the redemption prices specified in the Indenture.

If Bonds are to be redeemed in part, the particular Bonds to be redeemed shall be selected as provided in the Indenture.

Notice of redemption shall be mailed not less than thirty (30) days nor more than thirty-five (35) days with respect to the Bonds, prior to the redemption date; provided, that with respect to special mandatory redemption described in paragraph (1) above, the notice of redemption shall be mailed not less than fifteen (15) days nor more than thirty (30) days prior to the redemption date.

The registration of this Bond is transferable by the Owner hereof or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture.

The Issuers and the Trustee may deem and treat the person in whose name this Bond is registered on the registration books maintained by the Trustee as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuers nor the Trustee shall be affected by any notice to the contrary.

The Bonds are issuable in the form of fully registered Bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof. The Trustee shall not be required to register the transfer of or exchange any Bond during the three days next preceding any date established by the Trustee for the selection of Bonds for redemption nor to register the transfer of or exchange any Bonds selected or called for redemption in whole or in part.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuers and the rights of the owners of the Bonds at any time by the Issuers with consent of the owners of a majority of the aggregate principal amount of Bonds then Outstanding. Any such consent or waiver by the owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon registration of the transfer of or exchange of this Bond, whether or not notation of such consent or waiver is made upon this Bond. The Indenture also contains provisions permitting the Trustee to waive certain past defaults under the Indenture and their consequences.

It is hereby certified, recited and declared that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State, and that the principal amount of the Bonds is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose, until the registration certificate hereon shall have been dated and signed by an authorized officer of each Issuer and the certificate of authentication hereon shall have been dated and signed by the Trustee.

IN WITNESS WHEREOF, Sedgwick County, Kansas and Shawnee County, Kansas have caused this Bond to be executed in their names and on their behalf by the facsimile signatures of the respective Chairmen of the Boards of County Commissioners of each Issuer and facsimile of their seals to be imprinted hereon and attested by the facsimile signatures of the County Clerks of each Issuer.

**SEDGWICK COUNTY, KANSAS, as Issuer**

By: \_\_\_\_\_  
Chairman,  
Board of County Commissioners

ATTEST:

By: \_\_\_\_\_  
County Clerk

**SHAWNEE COUNTY, KANSAS, as Issuer**

By: \_\_\_\_\_  
Chairman,  
Board of County Commissioners

ATTEST:

By: \_\_\_\_\_  
County Clerk

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I, \_\_\_\_\_, County Clerk of Sedgwick County, Kansas, do hereby certify that this Bond has been duly registered in my office as of \_\_\_\_\_, 20\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
County Clerk

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I, \_\_\_\_\_, County Clerk of Shawnee County, Kansas, do hereby certify that this Bond has been duly registered in my office as of \_\_\_\_\_, 20\_\_.

WITNESS my hand and official seal.

\_\_\_\_\_  
County Clerk

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**CERTIFICATE OF STATE TREASURER**

OFFICE OF THE TREASURER, STATE OF KANSAS

I, \_\_\_\_\_, Treasurer of the State of Kansas, do hereby certify that a transcript of the proceedings leading up to the issuance of this Bond has been filed in my office and that this Bond was registered in my office as of \_\_\_\_\_, 20 \_\_\_\_.

WITNESS my hand and official seal.

Treasurer of the State of Kansas

By: \_\_\_\_\_  
Assistant State Treasurer of the  
State of Kansas

State Treasurer I.D. No for the [A-\_\_] Bonds: [\_\_\_\_\_]

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**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

This Bond is one of the Bonds of the issue described in the Indenture described herein.

UMB BANK, N.A.,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer said Bond on the registration books of the Trustee with full power of substitution in the premises.

DATED: \_\_\_\_\_

\_\_\_\_\_  
Signature Guaranteed by:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B-1**

**FORM OF PRICING NOTICE**

**[\$A-\_\_ PRINCIPAL AMOUNT]  
SINGLE FAMILY MORTGAGE REVENUE BONDS  
(MORTGAGE-BACKED SECURITIES PROGRAM)  
20\_\_ SERIES A-\_\_**

The undersigned, duly authorized officers of Sedgwick County, Kansas and Shawnee County, Kansas (collectively, the "Issuers") hereby notify George K. Baum & Company that the Issuers intend to deliver the Series of Bonds specified above and direct the Underwriter to determine the interest rate to be borne by the Bonds not later than 4:00 p.m. Eastern time on the Pricing Date specified below. The following specifications shall apply to this Series of Bonds:

(1) The principal amount of this Series of Bonds shall be \$\_\_\_\_\_. [\$\_\_\_\_\_ of this Series of Bonds shall be Subordinated Bonds.] [\$\_\_\_\_\_ of this Series of Bonds shall be Taxable Bonds.]

(2) The principal amount of the term bonds shall be \$\_\_\_\_\_ with respect to the First Term Bond, \$\_\_\_\_\_ with respect to the Second Term Bond and \$\_\_\_\_\_ with respect to the Third Term Bond. [Additional Term Bond].

(3) The Series designation shall be 20\_\_ Series A-\_\_.

(4) The Pricing Date shall be \_\_\_\_\_.

(5) The Issuance Date shall be \_\_\_\_\_ (unless otherwise specified herein, the Issuance Date shall be on the 25<sup>th</sup> day following the related Pricing Date, or if such day is not a Business Day, then on the first Business Day after such 25<sup>th</sup> day).

On the Issuance Date, the Issuers shall execute and deliver a *Series Supplement* authorizing the delivery of this Series of Bonds.

**SEDGWICK COUNTY, KANSAS, as Issuer**

By: \_\_\_\_\_  
Chairman,  
Board of County Commissioners

**SHAWNEE COUNTY, KANSAS, as Issuer**

By: \_\_\_\_\_  
Chairman,  
Board of County Commissioners

**Pricing Date Acknowledgement and Acceptance of the Underwriter**

The undersigned acknowledges receipt of the attached Pricing Notice relating to the 20\_\_ Series A-\_\_ Bonds. On the date hereof (the "Pricing Date"), and, pursuant to **Section 2.01** of the Indenture hereby establishes the interest rates applicable to the 20\_\_ Series A-\_\_ Bonds as follows:

TERM BONDS: \_\_\_\_\_ %  
TERM BONDS: \_\_\_\_\_ %  
TERM BONDS: \_\_\_\_\_ %  
TERM BONDS \_\_\_\_\_ %

**GEORGE K. BAUM & COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT B-2

FORM OF SERIES SUPPLEMENT

20\_\_A-\_\_ SERIES SUPPLEMENT  
DATED AS OF [DATED DATE]

AUTHORIZING THE ISSUANCE OF  
SEDGWICK COUNTY, KANSAS AND SHAWNEE COUNTY, KANSAS

\$(PRINCIPAL AMOUNT)  
[\_\_ TAXABLE\_\_] SINGLE FAMILY MORTGAGE REVENUE BONDS  
(MORTGAGE-BACKED SECURITIES PROGRAM)  
SERIES 20\_\_A-\_\_

This 20\_\_A-\_\_ SERIES SUPPLEMENT (this "20\_\_A-\_\_ Series Supplement"), entered into as of [Dated Date], between **Sedgwick County, Kansas** and **Shawnee County, Kansas** (each, an "Issuer" and collectively, the "Issuers"), political subdivisions of the State of Kansas (the "State"), and **UMB Bank, N.A.**, a national banking association with trust powers organized and existing under the laws of the United States of America and having its principal corporate trust office located in Kansas City, Missouri, as trustee (the "Trustee"), authorizes the delivery of the 20\_\_A-\_\_ Bonds described herein.

1. Pursuant to the Act and the Trust Indenture dated as of [\_\_ MONTH\_\_] 1, 2017 (the "Indenture"), the Issuers are authorized to issue their Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) in multiple series (the "Bonds") to (i) finance qualifying mortgage loans (the "Mortgage Loans") to qualified persons purchasing qualifying single family residences in accordance with the terms and conditions of the Agreement; and (ii) enter into this 20\_\_A-\_\_ Series Supplement to secure the 20\_\_A-\_\_ Bonds by a pledge and assignment of the collateral described in the Indenture and this 20\_\_A-\_\_ Series Supplement, including, but not limited to, the Investment Agreements relating to the investment of moneys in the Accounts created pursuant to the Indenture and this 20\_\_A-\_\_ Series Supplement and relating to the 20\_\_A-\_\_ Bonds, the Securities acquired with the proceeds of the 20\_\_A-\_\_ Bonds authorized by this 20\_\_A-\_\_ Series Supplement, and all rights of the Issuers under the Agreement on the terms and conditions herein set forth;

2. *The 20\_\_A-\_\_ Bonds shall constitute the \_\_\_\_\_ Series of Bonds issued under the Indenture and will be separately secured under the Indenture and this 20\_\_A-\_\_ Series Supplement from any other Series of Bonds issued from time to time under the Indenture.*

3. All things necessary to make the 20\_\_A-\_\_ Bonds, when authenticated by the Trustee and issued as provided in the Indenture and this 20\_\_A-\_\_ Series Supplement, the valid, legal and binding obligations of the Issuers, and to constitute the Indenture, as amended and supplemented by this 20\_\_A-\_\_ Series Supplement, a valid, legal and binding pledge and assignment of the property, rights, interests and revenues made herein for the security of the payment of the 20\_\_A-\_\_ Bonds, have been done and performed, and the execution and delivery of this 20\_\_A-\_\_ Series Supplement, and the execution and issuance of 20\_\_A-\_\_ Bonds, subject to the terms of this 20\_\_A-\_\_ Series Supplement, have in all respects been duly authorized.

NOW, THEREFORE, to declare the terms and conditions upon which the 20\_\_A-\_\_ Bonds are to be authenticated, issued and delivered and to secure the payment of all of the 20\_\_A-\_\_ Bonds issued

and Outstanding under the Indenture and this 20\_\_A-\_\_ Series Supplement from time to time according to their tenor and effect, and in consideration of the premises, the purchase and acceptance of the 20\_\_A-\_\_ Bonds by the owners thereof, the Issuers covenant and agree with the Trustee, for the equal and proportionate benefit of the respective owners of the 20\_\_A-\_\_ Bonds, that the 20\_\_A-\_\_ Bonds are to be issued, authenticated and delivered and the Trust Estate with respect to the 20\_\_A-\_\_ Bonds is to be held and applied by the Trustee as provided in the Indenture, subject to the further covenants, conditions and trusts hereinafter set forth, as follows:

## ARTICLE I

### DEFINITIONS AND AUTHORITY

**Section 101. Definitions.** All terms defined in **Section 1.01** of the Indenture and not otherwise defined herein shall have the same meanings in this 20\_\_A-\_\_ Series Supplement as such terms are given in the Indenture or the Agreement. In addition, unless the context shall otherwise require, the following terms shall have the following respective meanings in this 20\_\_A-\_\_ Series Supplement:

"Extended Final Purchase Option" means, with respect to 20\_\_A-\_\_ Securities to be purchased from moneys on deposit in the 20\_\_A-\_\_ Acquisition Subaccount of the 20\_\_A-\_\_ Program Account, the option exercised by a Lender to extend the Final Purchase Date for a specified principal amount of Securities to \_\_\_\_\_, upon satisfaction of the conditions for the exercise of such option in **Section 3.21** of the Agreement and **Section 5.02** of the Indenture.

"Final Purchase Date" means (i) with respect to Securities to be purchased from moneys on deposit in the 20\_\_A-\_\_ Acquisition Subaccount of the 20\_\_A-\_\_ Program Account, (A) \_\_\_\_\_, and (B) with respect to Securities for which a Lender has elected the Extended Final Purchase Option, \_\_\_\_\_, and (ii) with respect to Securities to be purchased from moneys on deposit in the 20\_\_A-\_\_ Targeted Area Subaccount of the 20\_\_A-\_\_ Program Account, \_\_\_\_\_, or in each case such later date or dates as may be established in accordance with **Section 5.02** of the Indenture.

"Float Account Investment Agreement" means the applicable portions of the Investment Agreement between the Trustee and \_\_\_\_\_, and all amendments and supplements thereto, relating to the investment of amounts on deposit in the 20\_\_A-\_\_ Revenue Account, the 20\_\_A-\_\_ Principal Account, the 20\_\_A-\_\_ Interest Account, the 20\_\_A-\_\_ Redemption Account and the 20\_\_A-\_\_ Program Expense Account.

"Interest Payment Date" means, with respect to the 20\_\_A-\_\_ Bonds, each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing on \_\_\_\_\_ 1, 20\_\_.

"Investment Agreements" means, collectively, the Float Account Investment Agreement and the Program Account Investment Agreement.

"Issuance Date" means \_\_\_\_\_, 20\_\_, the date of initial delivery of the 20\_\_A-\_\_ Bonds.

"Nonorigination Redemption Date" means (i) with respect to moneys in an 20\_\_A-\_\_ Acquisition Subaccount of the Program Account, (A) \_\_\_\_\_, 20\_\_, and (B) with respect to Securities for which a Lender has elected the Extended Final Purchase Option, \_\_\_\_\_, (and (ii) with respect to moneys in the 20\_\_A-\_\_ Targeted Area Subaccount of the Program Account,

\_\_\_\_\_, or in each case such later date or dates as may be established in accordance with Section 5.02 of the Indenture.

"Lender Notice" means a notice of the Issuers to the Lender, the Master Servicer and the Trustee with respect to a Series of Bonds, together with all subsequent amendments or revisions thereto approved by the Issuers and delivered to the Trustee, the Master Servicer and each Lender, which specifies, among other things, with respect to each Series (i) the Loan Purchase Price, (ii) the GNMA Security Purchase Price, (iii) the Fannie Mae Security Purchase Price, (iv) the Freddie Mac Security Purchase Price, (v) the Federal Law Income Limits, (vi) the Acquisition Cost limits, (vii) the Program Area, (viii) the Targeted Areas, (ix) the Stated Interest Rate, (x) the Pass-Through Rate, (xi) the Final Purchase Date, and (xii) the Origination Period; *provided, that* the Issuers may provide a single notice with respect to such matters which are common to each Series.

"Pass-Through Rate" means \_\_\_\_\_% per annum; provided that (i) the Pass-Through Rate on up to \$\_\_\_\_\_ principal amount of Certificates may be at a higher interest rate if Bond Counsel delivers an opinion to the Trustee to the effect that acquisition of such Certificates will not adversely affect the exclusion of interest on the 20\_\_A-\_\_ Tax-Exempt Bonds from gross income for federal income tax purposes, and (ii) the Pass-Through Rate on up to \$\_\_\_\_\_ principal amount of Certificates may be at a lower interest rate if the Rating Agency confirms in writing that the delivery of such Certificates will not adversely affect the rating on the 20\_\_A-\_\_ Bonds.

"Program Account Investment Agreement" means the applicable portions of the Investment Agreement between the Trustee and \_\_\_\_\_, all amendments and supplements thereto, relating to investment of amounts on deposit in the 20\_\_A-\_\_ Proceeds Account and the 20\_\_A-\_\_ Program Account (including the 20\_\_A-\_\_ Capitalized Interest Subaccount).

"Program Expenses" means, with respect to the 20\_\_A-\_\_ Bonds, (i) the semiannual fees and expenses of the Trustee payable in arrears on each Interest Payment Date in an amount equal to \_\_\_\_\_% of the aggregate principal amount of Bonds Outstanding as of the preceding Interest Payment Date (after taking into account any Bonds paid or redeemed on that date), subject to a minimum of \$500 if at least \$15,000,000 principal amount of Securities is acquired from amounts on deposit in the 20\_\_A-\_\_ Program Account, and (ii) the semiannual fees and expenses of the Administrator payable in arrears on each Interest Payment Date in an amount equal to \_\_\_\_\_% of the aggregate principal amount of Bonds Outstanding as of the preceding Interest Payment Date (after taking into account any Bonds paid or redeemed on that date), and (iii) the semiannual fees and expenses of the Rebate Analyst payable in arrears on each Interest Payment Date in an amount equal to \_\_\_\_\_% of the aggregate principal amount of Bonds Outstanding as of the preceding Interest Payment Date (after taking into account any Bonds paid or redeemed on that date). The fees specified in clauses (i) through (iii) above shall commence on \_\_\_\_\_.

"Purchase Date" means a date on which the Master Servicer may deliver Securities to the Trustee for purchase from moneys on deposit in the 20\_\_A-\_\_ Program Account, which shall occur on not more than two Business Days of each month mutually agreed to by the Trustee and the Master Servicer, commencing in \_\_\_\_\_, 20\_\_, and ending on the Final Purchase Date.

"Special Escrow Fund" means \_\_\_\_\_.

"Tax Certificate" means the Tax Certificate of the Issuers relating to the 20\_\_A-\_\_ Bonds, dated the Issuance Date.

"20\_\_A-\_\_ Bonds" shall mean the Bonds of the Issuers of the Series authorized by **Section 2.01** of the Indenture and **Section 201** of this 20\_\_A-\_\_ Series Supplement and designated "Sedgwick County, Kansas and Shawnee County, Kansas Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), [Series Designation]".

"20\_\_A-\_\_ Mortgage Loans" shall mean Mortgage Loans which are originated in connection with the 20\_\_A-\_\_ Bonds (and financed from moneys in the 20\_\_A-\_\_ Program Account) .

"20\_\_A-\_\_ Securities" shall mean the Securities acquired with moneys in the 20\_\_A-\_\_ Program Account.

"20\_\_A-\_\_ Series Supplement" shall mean this 20\_\_A-\_\_ Series Supplement authorizing the issuance of the 20\_\_A-\_\_ Bonds.

**Section 102. Authority For 20\_\_A-\_\_ Series Supplement.** This 20\_\_A-\_\_ Series Supplement is executed and delivered pursuant to the provisions of the Act and **Section 2.01** of the Indenture.

**ARTICLE II**

**AUTHORIZATION AND TERMS OF 20\_\_A-\_\_ BONDS**

**Section 201. Principal Amount, Designation, Series and Purposes.** In order to provide funds for the Program and to finance the purchase of the 20\_\_A-\_\_ Securities as hereinafter provided and other lawful purposes set forth herein, the Issuers hereby authorize the issuance of a Series of Bonds of the Issuers pursuant to the Indenture and this 20\_\_A-\_\_ Series Supplement in the total aggregate principal amount [\$Principal Amount], to be designated "Sedgwick County, Kansas and Shawnee County, Kansas Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program), [Series Designation]".

**Section 202. Dates, Maturities and Interest Rates.** The 20\_\_A-\_\_ Bonds shall be Tax-Exempt Bonds, shall be dated as of the Issuance Date and shall mature on the dates and in the principal amounts, and shall bear interest from the Issuance Date at the applicable interest rates, as set forth below (unless redeemed prior to maturity), computed on the basis of a 360-day year and twelve 30-day months, with such interest payable on each Interest Payment Date:

Maturity Date	Principal Amount	Interest Rate

**Section 203. Redemption Provisions.**

(A) The 20\_\_A-\_\_ Bonds shall be subject to redemption as described in the Indenture and this **Section 203**.

(B) The 20\_\_A-\_\_ Bonds are subject to special mandatory redemption prior to their stated maturity, as follows:

(1) (a) as a whole or in part from amounts on deposit in the 20\_\_A-\_\_ Acquisition Subaccount of the 20\_\_A-\_\_ Program Account which have not been expended for the purchase of 20\_\_A-\_\_ Securities on the applicable Nonorigination Redemption Date, and (b) as a whole or in part from amounts on deposit in the 20\_\_A-\_\_ Targeted Area Subaccount of the 20\_\_A-\_\_ Program Account which have not been expended for the purchase of 20\_\_A-\_\_ Securities on the applicable Nonorigination Redemption Date;

(2) as a whole or in part on each Interest Payment Date from (a) amounts on deposit in the 20\_\_A-\_\_ Prepayment Subaccount of the 20\_\_A-\_\_ Redemption Account representing Prepayments on the 20\_\_A-\_\_ Securities, and (b) amounts on deposit in the 20\_\_A-\_\_ Redemption Account representing Surplus Revenues with respect to the 20\_\_A-\_\_ Bonds; and

(3) as a whole on any date whenever amounts in the 20\_\_A-\_\_ Revenue Account and the 20\_\_A-\_\_ Redemption Account are sufficient to redeem the 20\_\_A-\_\_ Bonds.

In the event of special mandatory redemption described in **paragraph (1)** above, the redemption price of such Bonds shall be equal to (i) in the case of the 20\_\_A-\_\_ Bonds maturing \_\_\_\_\_, \_\_\_\_\_% of the principal amount thereof, (ii) in the case of the 20\_\_A-\_\_ Bonds maturing \_\_\_\_\_, \_\_\_\_\_% of the principal amount thereof, and (iii) in the case of the 20\_\_A-\_\_ Bonds maturing \_\_\_\_\_, \_\_\_\_\_% of the principal amount thereof, plus accrued interest to the date fixed for redemption. In the event of special mandatory redemption described in **paragraphs (2) and (3)** above, the redemption price of all 20\_\_A-\_\_ Bonds shall be equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

(C) The 20\_\_A-\_\_ Bonds shall be subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts specified below:

20__A-__ Bonds Maturing			
Sinking Fund Date	Principal Amount	Sinking Fund Date	Principal Amount

20 A- Bonds Maturing			
Sinking Fund Date	Principal Amount	Sinking Fund Date	Principal Amount

20 A- Bonds Maturing			
Sinking Fund Date	Principal Amount	Sinking Fund Date	Principal Amount

(D) The 20\_\_A-\_\_ Bonds maturing \_\_\_\_\_ will be subject to redemption, at the option of the Issuer, from any source of funds, in whole or in part, on any date on and after \_\_\_\_\_, as shown below, at the applicable redemption price (shown below as a percentage of the principal amount of the Bonds to be redeemed), plus accrued interest to the date of redemption.

Redemption Dates	Redemption Price
through _____	
and thereafter	

The 20\_\_A-\_\_ Bonds maturing \_\_\_\_\_ will be subject to redemption, at the option of the Issuer, from any source of funds, on any date on and after \_\_\_\_\_, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

The 20\_\_A-\_\_ Bonds maturing \_\_\_\_\_ will be subject to redemption, at the option of the Issuer, from any source of funds, in whole or in part, on any date on and after \_\_\_\_\_, as shown below, at the applicable redemption price (shown below as a percentage of the principal amount of the Bonds to be redeemed), plus accrued interest to the date of redemption.

Redemption Dates	Redemption Price
through _____	
and thereafter	

The Trustee may voluntarily dispose of 20\_\_A-\_\_ Securities to effect the optional redemption of the 20\_\_A-\_\_ Bonds in accordance with the foregoing provisions of this Section 203. If less than all of

the 20\_\_A-\_\_\_ Bonds are proposed to be redeemed pursuant to the foregoing optional redemption provisions, the Issuers shall obtain written confirmation from the Rating Agency that such partial optional redemption will not adversely affect the rating then assigned to the 20\_\_A-\_\_\_ Bonds remaining Outstanding following the redemption.

**Section 204. Selection of 20\_\_A-\_\_\_ Bonds for Redemption.** The 20\_\_A-\_\_\_ Bonds Series shall be selected for redemption as described in this **Section 204**.

(A) If 20\_\_A-\_\_\_ Bonds are to be redeemed in part pursuant to **Section 203(B)(1)** (by reason of the failure to purchase 20\_\_A-\_\_\_ Securities) from amounts on deposit in the 20\_\_A-\_\_\_ Program Account (including the 20\_\_A-\_\_\_ Acquisition Subaccount and the 20\_\_A-\_\_\_ Targeted Area Subaccount), such unexpended amount shall be applied to the redemption of 20\_\_A-\_\_\_ Bonds at the time Outstanding on a Proportionate Basis.

(B) If 20\_\_A-\_\_\_ Bonds are to be redeemed in part pursuant to **Section 203(B)(2)(a)** from amounts on deposit in the 20\_\_A-\_\_\_ Prepayment Subaccount of the 20\_\_A-\_\_\_ Redemption Account (representing Prepayments) or pursuant to **Section 203(B)(2)(b)** from amounts on deposit in the 20\_\_A-\_\_\_ Redemption Account (representing Surplus Revenues with respect to the 20\_\_A-\_\_\_ Bonds), the 20\_\_A-\_\_\_ Bonds to be redeemed will be selected for redemption in the following order of priority:

FIRST, 100% of such amounts shall be applied to redeem the 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_, down to the applicable 100% PSA Outstanding Bond Amount for 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_;

SECOND, after applying the amounts as described in clause FIRST above, any remaining amounts shall be applied *first* to redeem the 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_, until such Bonds are no longer outstanding, and *second*, to redeem the 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_, until such Bonds are no longer outstanding, provided that such redemptions shall be made only until the Outstanding principal amount of all 20\_\_A-\_\_\_ Bonds has been reduced to the applicable 400% PSA Outstanding Bond Amount for 20\_\_A-\_\_\_ Bonds; and

THIRD, after applying the amounts as described in clauses FIRST and SECOND above, any remaining amounts shall be applied to redeem all 20\_\_A-\_\_\_ Bonds, including 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_, on a Proportionate Basis.

As used in this **Section 204(B)**, "Outstanding Bond Amount" means for the applicable 20\_\_A-\_\_\_ Bonds the dollar amount for each Interest Payment Date set forth in the applicable column in **Appendix A** hereto. Each Outstanding Bond Amount shown on **Appendix A** is subject to reduction to the extent amounts in the 20\_\_A-\_\_\_ Acquisition Subaccount and the 20\_\_A-\_\_\_ Targeted Area Subaccount are not used to purchase 20\_\_A-\_\_\_ Securities. Such reduction shall be determined by reducing each column on the Table of Outstanding Bond Amounts set forth on **Appendix A** as follows: (i) *first*, reduce the initial Outstanding Bond Amount shown in each column on the Table by the total principal amount of the maturity or maturities of 20\_\_A-\_\_\_ Bonds referenced in such column that are actually redeemed due to failure to purchase 20\_\_A-\_\_\_ Securities from amounts in the 20\_\_A-\_\_\_ Acquisition Subaccount and the 20\_\_A-\_\_\_ Targeted Area Subaccount, and (ii) *second*, calculate the percentage reduction for such first amount (i.e., the related redemption amount divided by the unadjusted column amount) and reduce each subsequent amount in such column by such percentage reduction (e.g., by multiplying the unadjusted amounts by the difference between 100% and the percentage reduction), rounded to the nearest \$5,000. Thus, if 25% of the 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_ are so redeemed, the Table of Outstanding Bond Amounts for the 20\_\_A-\_\_\_ Bonds due \_\_\_\_\_ will be reduced by multiplying each Table amount by 75% (rounded to the nearest \$5,000).

**ARTICLE III**

**DISPOSITION OF 20\_\_A-\_\_\_ BOND PROCEEDS AND OTHER FUNDS**

**Section 301. Creation of Accounts.** Each of the accounts which the Indenture requires to be created with respect to a Series of Bonds is hereby created with respect to the 20\_\_A-\_\_\_ Bonds and shall be held and maintained in each instance by the Trustee. There are specifically created with respect to the 20\_\_A-\_\_\_ Bonds the following accounts (which shall be held and maintained by the Trustee):

- 20\_\_A-\_\_\_ Program Account (including therein the 20\_\_A-\_\_\_ Acquisition Subaccount, the 20\_\_A-\_\_\_ Targeted Area Subaccount, and the 20\_\_A-\_\_\_ Capitalized Interest Subaccount)
  - 20\_\_A-\_\_\_ Costs of Issuance Account
  - 20\_\_A-\_\_\_ Interest Account
  - 20\_\_A-\_\_\_ Principal Account
  - 20\_\_A-\_\_\_ Proceeds Account
  - 20\_\_A-\_\_\_ Revenue Account
- 20\_\_A-\_\_\_ Redemption Account (including therein the 20\_\_A-\_\_\_ Prepayment Subaccount)
  - 20\_\_A-\_\_\_ Program Expense Account
  - 20\_\_A-\_\_\_ Rebate Account

**Section 302. Application of Proceeds of 20\_\_A-\_\_\_ Bonds and Other Amounts.**

(A) *Application of 20\_\_A-\_\_\_ Bond Proceeds.* On the Issuance Date, all of the sale proceeds of the 20\_\_A-\_\_\_ Bonds shall be applied as follows: \$\_\_\_\_\_ to the 20\_\_A-\_\_\_ Acquisition Subaccount, \$\_\_\_\_\_ to the 20\_\_A-\_\_\_ Targeted Area Subaccount, and \$\_\_\_\_\_ to the 20\_\_A-\_\_\_ Capitalized Interest Account.

(B) *Application of Master Servicer Fees and other funds.* In addition to the application of proceeds described in paragraph (A) above, on the Issuance Date, the initial contribution of the Master Servicer in the amount of \$\_\_\_\_\_ shall be deposited as follows: \$\_\_\_\_\_ into the 20\_\_A-\_\_\_ Capitalized Interest Subaccount and \$\_\_\_\_\_ into the 20\_\_A-\_\_\_ Costs of Issuance Account.

(C) *On the Issuance Date, the Issuers hereby direct the Trustee to enter into the Investment Agreements.*

**Section 303. Security Purchase Price and Related Transfers.** The Security Purchase Price shall be disbursed as described in this **Section 303**. The principal portion and the premium portion of the applicable Security Purchase Price shall be paid from amounts on deposit in the 20\_\_A-\_\_\_ Acquisition Subaccount and/or the 20\_\_A-\_\_\_ Targeted Area Subaccount; [*provided, that* with respect to \_\_\_\_\_ Mortgage Loans, [\_\_\_\_%][all] of the premium portion of the applicable Security Purchase Price shall be paid from amounts on deposit in the Special Escrow Fund\_\_\_\_]. The maximum principal amount of Securities to be purchased from the 20\_\_A-\_\_\_ Acquisition Subaccount shall be \$\_\_\_\_\_. The maximum principal amount of Securities to be purchased from the 20\_\_A-\_\_\_ Targeted Area Subaccount shall be \$\_\_\_\_\_.

Pursuant to **Section 5.02(A)** of the Indenture, at any time after \_\_\_\_\_, the Trustee may disburse amounts held in the Targeted Area Subaccount of the Program Account to pay the principal

portion and premium portion of the GNMA Security Purchase Price attributable to Mortgage Loans with respect to Homes *not* located in Targeted Areas.

On each Purchase Date on which Securities are purchased, the Trustee shall make the following transfers from the 20\_\_A-\_\_ Acquisition Subaccount or 20\_\_A-\_\_ Targeted Area Subaccount, as applicable:

(i) to the Kansas Department of Commerce, c/o UMB Bank, N.A., ABA No. 1010-0069-5, Account No. 200005150 (or such other account specified by the Department of Commerce), an amount equal to \_\_\_\_\_% of the aggregate principal amount of such Security or Securities purchased on such date, to be applied to pay a portion of the private activity bond allocation fee to the Kansas Department of Commerce and Housing;

(ii) to the 20\_\_A-\_\_ Costs of Issuance Account, an amount equal to \_\_\_\_\_% of the principal amount purchased, such amount to be promptly disbursed from the 20\_\_A-\_\_ Costs of Issuance Account to the Underwriter to pay deferred Costs of Issuance; and

(iii) to the 20\_\_A-\_\_ Revenue Account, an amount equal to \_\_\_\_\_% of the aggregate principal amount of such Securities purchased on such date.

On or prior to each Purchase Date, the Trustee shall advise the Kansas Department of Commerce by fax (785-296-3490) or electronic mail ([ccatchpole@kansascommerce.com](mailto:ccatchpole@kansascommerce.com)) of the pending transfer pursuant to clause (i) above, or by such other means or address as specified by the Department of Commerce.

**Section 304. Covenant Regarding Targeted Area.** The Issuers covenant to make Mortgage Loans funded with proceeds of the 20\_\_A-\_\_ Bonds available in Targeted Areas for a period ending not earlier than \_\_\_\_\_, in an amount necessary to comply with the requirements of the Code. For this purpose, pursuant to **Section 5.02(A)** of the Indenture, the Issuers (i) have initially reserved from moneys on deposit in the 20\_\_A-\_\_ Targeted Area Subaccount of the 20\_\_A-\_\_ Program Account exclusively for the purpose of purchasing Securities backed by Mortgage Loans secured by Homes located in Targeted Areas a principal amount equal to \$\_\_\_\_\_ until \_\_\_\_\_, and (ii) hereby covenant to take such other action, including, but not limited to, extending the reservation period and making available additional funds for the origination of Mortgage Loans in Targeted Areas for such periods, which, in the opinion of Co-Bond Counsel, [\_\_ will not adversely affect the exclusion of interest on the 20\_\_A-\_\_ Tax-Exempt Bonds from gross income for federal income tax purposes \_\_].

The Issuers, in order to comply with the covenants set forth in this Section, have entered into the Targeted Area Loan Funding Agreement, dated as of [Dated Date], with Bank of the West (the "Targeted Area Lender"), George K. Baum & Company and the Trustee (the "Targeted Area Agreement") pursuant to which the Targeted Area Lender agrees to purchase from any Lender through \_\_\_\_\_, Targeted Area Loans in a principal amount up to \$\_\_\_\_\_ if the Trustee does not have adequate funds to purchase Targeted Area Loans from amounts on deposit in the 20\_\_A-\_\_ Targeted Area Subaccount of the 20\_\_A-\_\_ Program Account. The Trustee shall enter into agreements with the Targeted Area Lender for one or more Securities to be dissolved and the subsequent formation of new pool(s) backing Securities which include additional Targeted Area Loans in a principal amount as equal as possible to the principal amount of Mortgage Loans for residences not located in Targeted Areas removed from the pool(s) being dissolved.

## ARTICLE IV

### MISCELLANEOUS

**Section 401. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this 20\_\_A-\_\_ Series Supplement on the part of the Issuers to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this 20\_\_A-\_\_ Series Supplement.

**Section 402. Covenant to Comply with Federal Tax Law Requirements.** The Issuers hereby covenant to comply with all applicable requirements of the Code, so that interest on the 20\_\_A-\_\_ Tax-Exempt Bonds will be excluded from gross income of the holders thereof for federal income tax purposes, including all applicable requirements of the Code in respect of the rebate requirement of Section 148(f) of the Code. The Issuers also covenant to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements. In accordance with the rebate requirement, the Issuers agree that there will be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the 20\_\_A-\_\_ Bonds from time to time.

IN WITNESS WHEREOF, the Issuers have caused this Series Supplement to be signed and attested in their respective names by their duly authorized officers and representatives and their respective seals to be hereunto affixed, and the Trustee in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed and attested in its corporate name by its duly authorized officers and representatives, as of the day and year first above written.

**SEDGWICK COUNTY, KANSAS**

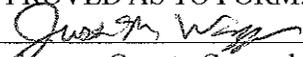
By: \_\_\_\_\_  
Chairman, Board  
of County Commissioners

(Seal)

ATTEST:

\_\_\_\_\_  
County Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Assistant County Counselor

**SHAWNEE COUNTY, KANSAS**

By: \_\_\_\_\_  
Chairman, Board  
of County Commissioners

(Seal)

ATTEST:

\_\_\_\_\_  
County Clerk

**UMB BANK, N.A., as Trustee**

By: \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Title: \_\_\_\_\_

**APPENDIX A**

**TABLES OF OUTSTANDING BOND AMOUNTS**

<b>Interest Payment Date</b>	<b>100% PSA Outstanding Bond Amount for 20__A-__ Bond Maturing</b>	<b>400% PSA Outstanding Bond Amount for All 20__A-__ Bonds</b>

