

THE UNIVERSITY OF CONNECTICUT

as Issuer

and

STATE STREET BANK AND TRUST COMPANY,

as Trustee

SPECIAL OBLIGATION INDENTURE OF TRUST

STUDENT FEE REVENUE BONDS

Dated as of January 1, 1997

As Amended by the:

*Second Supplemental Indenture, dated as of May 1, 2000 and
Fourth Supplemental Indenture, dated as of November 16, 2001
Fifth Supplemental Indenture, dated as of _____, 2018*

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	Definitions and Statutory Authority.....5
101.	Definitions.....5
102.	Interpretation.....24
ARTICLE II	Authorization and Issuance of Bonds and Limitations on Issuance of Other Obligations.....25
201.	Authority for this Special Obligation Indenture25
202.	Authorization for Issuance of Bonds and Obligations of University.....25
203.	Provisions for Issuance of Bonds.....28
204.	Conditions Precedent to Delivery of Bonds.....29
205.	Provisions for Refunding Bonds.....31
ARTICLE III	General Terms and Provisions of the Bonds.....32
301.	Medium of Payment; Form and Date; Letters and Numbers32
302.	Legends.....33
303.	Execution and Authentication.....33
304.	Exchange, Transfer and Registry of Bonds33
305.	Regulations with Respect to Exchanges and Transfers34
306.	Bonds Mutilated, Destroyed, Stolen or Lost.....34
307.	Preparation of Definitive Bonds; Temporary Bonds35
ARTICLE IV	Redemption of Bonds36
401.	Privilege of Redemption and Redemption Price.....36
402.	Redemption at the Election or Direction of the University36
403.	Redemption Other Than at University’s Election or Direction36
404.	Selection of Bonds to Be Redeemed by Lot.....36
405.	Notice of Redemption37
406.	Payment of Redeemed Bonds37
ARTICLE V	Application of Bond Proceeds38
501.	Application of Bond Proceeds38
ARTICLE VI	Establishment of Funds and Application Thereof39
601.	Pledge Effected by Indenture.....39
602.	Establishment Funds and Accounts Therein.....39
603.	Costs of Issuance Account.....40
604.	Bond Proceeds Accounts41
605.	Flow of Pledged Revenues.....42
606.	Debt Service Fund.....43
607.	Redemption Fund.....45
608.	Rebate Fund45

609.	Release and Restriction on Pledged Revenues	46
610.	Special Capital Reserve Fund	46
611.	Notes	48
612.	Renewal and Replacement Fund.....	48
613.	Debt Service Reserve Fund.....	49
ARTICLE VII	Investment of Funds.....	51
701.	Investment of Funds and Accounts.....	51
702.	Liability of Trustee for Investments	52
ARTICLE VIII	The Trustee and the Paying Agents	52
801.	Appointment and Acceptance of Duties of Trustee	52
802.	Appointment and Acceptance of Duties of Paying Agents	52
803.	Indemnity	53
804.	Responsibilities of Trustee and Paying Agents	53
805.	Evidence on Which Fiduciaries May Act	54
806.	Compensation	54
807.	Permitted Acts and Functions	55
808.	Resignation of Trustee	55
809.	Removal of Trustee.....	55
810.	Appointment of Successor Trustee	56
811.	Transfer of Rights and Property to Successor Trustee.....	56
812.	Merger, Conversion or Consolidation.....	57
813.	Resignation or Removal of the Paying Agents and Appointment of Successors and Assigns.....	57
814.	Selection by Treasurer	57
ARTICLE IX	Particular Covenants	57
901.	Payment of Bonds	57
902.	Extension of Payment of Bonds.....	58
903.	Coverage Covenant.....	58
904.	Offices for Payment and Registration of Bonds	59
905.	Pledge of Continuing Disclosure	59
906.	Further Assurances.....	59
907.	Power to Issue Bonds and Make Pledges	59
908.	Indebtedness and Liens	60
909.	Certification as to Special Capital Reserve Fund	60
910.	Issuance of Additional Bonds; Execution of Swaps.....	61
911.	UConn 2000 Infrastructure Improvement Program	62
912.	Tax Exemption.....	63
913.	No Impairment of Rights of Bondholders	63
914.	Funds and Reports.....	63
915.	General.....	63
916.	Pledge of State to Bondholders.....	63
ARTICLE X	Supplemental Indenture	64
1001.	Modification and Amendment Without Consent.....	64

1002.	Amendments and Supplemental Indenture Effective With Consent of Bondholders	65
1003.	General Provisions Relating to Supplemental Indenture	65
ARTICLE XI	Amendments of Indenture.....	66
1101.	Powers of Amendment.....	66
1102.	Consent of Bondholders.....	67
1103.	Modifications by Unanimous Consent.....	68
1104.	Mailing and Publication.....	68
1105.	Exclusion of Bonds.....	68
1106.	Notation on Bonds	68
1107.	Consent of Bond Facility Provider	69
ARTICLE XII	Defaults and Remedies	69
1201.	Events of Default	69
1202.	Remedies.....	70
1203.	Priority of Payments After Default.....	71
1204.	Termination of Proceedings.....	72
1205.	Bondholders' Direction of Proceedings.....	72
1206.	Limitation on Rights of Bondholders	72
1207.	Possession of Bonds by Trustee Not Required.....	73
1208.	Remedies Not Exclusive.....	73
1209.	No Waiver of Default.....	73
1210.	Notice of Event of Default.....	73
ARTICLE XIII	Execution of Instruments by Bondholders and Proofs of Ownership of Bonds.....	74
1301.	Evidence of Signatures of Bondholders and Ownership of Bonds.....	74
ARTICLE XIV	Defeasance	75
1401.	Defeasance	75
ARTICLE XV	Continuing Disclosure Undertaking	76
1501.	Purpose.....	76
1502.	Submission of Annual Financial Information Statements	76
1503.	Submission of Audited Financial Statements	77
1504.	Listed Event Notices	77
1505.	Notification by Trustee of Failure by the University to File Annual Financial Information.....	78
1506.	Additional Information	78
1507.	Reference to Other Documents.....	78
1508.	Disclaimer by the University	79
1509.	Transmission of Information and Notices.....	79
1510.	Change in Fiscal Year, Submission Date and Report Date	79
1511.	Termination.....	79
1512.	Amendment.....	79
1513.	Benefit; Third-Party Beneficiaries; Enforcement	81

1514.	Duties, Immunities and Liabilities of Trustee.....	81
1515.	Duties, Immunities and Liabilities of Officials.....	82
ARTICLE XVI	Miscellaneous	82
1601.	Preservation and Inspection of Documents.....	82
1602.	Notice.....	82
1603.	Parties of Interest	82
1604.	No Recourse Under Indenture or on Bonds.....	83
1605.	Severability	83
1606.	Headings	83
1607.	Law and Place of Enforcement.....	83
1608.	Conflict	83
1609.	Effective Date	83
1610.	Counterparts.....	83

**SPECIAL OBLIGATION
INDENTURE OF TRUST**

THIS SPECIAL OBLIGATION INDENTURE OF TRUST (the “Special Obligation Indenture”) is made and entered into, pursuant to The University of Connecticut 2000 Act, constituting Public Act No. 95-230, as amended (the “Act”), as of January 1, 1997, by and between The University of Connecticut (the “University”), a constituent unit of the State of Connecticut system of public higher education and a body politic and corporate and an instrumentality and agency of the State of Connecticut (the “State”) which includes the University of Connecticut Health Center, and State Street Bank and Trust Company, a Massachusetts chartered trust company and authorized to accept and execute the duties and obligations of the character herein set out, with its principal corporate trust office located in Boston, Massachusetts (the “Trustee”),

W I T N E S S E T H:

WHEREAS, the Act declares the purpose of the Act is to promote the welfare and prosperity of the people of the State and the continuation and improvement of their educational opportunities by approving a special capital improvement program for the University and enabling the University to borrow money by issuing Bonds and enter into financing transactions in its own name, on behalf of the State, to expand the authority of the University to construct Projects and to assure State support for the financing of the acquisition, construction, reconstruction, improvement and equipping of facilities, structures and related systems for the benefit of the educational and economic development needs of the State and the University, all to the public benefit and good, and the exercise of the powers, to the extent and in the manner provided in the Act, which the Act declared to be for a public purpose and to be the exercise of an essential governmental function;

WHEREAS, the University is empowered by section 4(10) of the Act pursuant to a resolution adopted by a majority of its Board of Trustees to borrow money and issue securities to finance the acquisition, construction, reconstruction, improvement or equipping of any one project, or more than one, or any combination of projects, or to refund securities issued after the effective date of the Act, or to refund any such refunding Securities for any one, or more than one, or all of those purposes, or any combination of those purposes, and to provide for the security and payment of those securities;

WHEREAS, in connection with its issuance of Special Obligation Bonds, section 7(i) of the Act authorizes the University to establish one or more Special Capital Reserve Funds for the payment of the Principal, Redemption Price and redemption premium of and interest on Special Obligation Bonds of the University secured thereby, subject to certain determinations and reviews therein set forth;

WHEREAS, section 7(i) of the Act also provides that prior to the issuance of Special Obligation Bonds, the security for which is to be enhanced by such Special Capital Reserve Fund, the self-sufficiency finding by the Board of Trustees of the University shall be submitted

to and confirmed by the Treasurer of the State in the certificate of determination referred to in the Act, as not unreasonable or arbitrary and that a Special Capital Reserve Fund shall be used only if the Treasurer of the State determines that such use improves or is essential to the rating of the Bonds or provides interest savings;

WHEREAS, the University has by resolution of the Board of Trustees adopted on November 8, 1996 by the majority of the member of its Board of Trustees, authorized the University pursuant to the Act to enter into this Special Obligation Indenture with the Trustee, as necessary to provide for the issuance of Special Obligation Bonds of the University to finance Projects including UConn 2000 Projects in the UConn 2000 Infrastructure Improvement Program by the issuance of its Special Obligation Bonds and established the Special Capital Reserve Fund as security therefor;

WHEREAS, the Indenture provides for the issuance of the Special Obligation Bonds of the University, payable solely from Pledged Revenues, (which include certain Project Revenues and Assured Revenues, other than those derived from the State Debt Service Commitment and the Minimum State Operating Provision, each as that term is defined herein and in the Act) and other receipts, funds or moneys pledged under this Indenture, which, subject to a Supplemental Indenture, may include the Special Capital Reserve Fund;

WHEREAS, pursuant to the Indenture, the Board of Trustees has contemporaneously with the adoption of the Indenture resolved to adopt a Supplemental Indenture (the "Supplemental Indenture") authorizing the issuance of not exceeding \$30,000,000 University of Connecticut Student Fee Revenue Bonds, 1997 Series A, to be enhanced by the Special Capital Reserve Fund to provide the financing, in part, of the Cost of constructing the South Campus Complex, being one of the Phase I UConn 2000 Projects under section 5 of the Act plus an amount to pay or provide the Costs of Issuance of the 1997 Series A Bond and the amount necessary to fund Special Capital Reserve Fund to its Maximum Requirement;

WHEREAS, section 6(b) of the Act provides that the Board of Trustees of the University shall submit each resolution for the issuance of securities approved pursuant to section 6(a), to the Governor accompanied by a summary report of the estimated total completion costs of Projects that will not be completed within the issuance which is the subject of the resolution. The Governor may, not later than thirty days after such submission, disapprove such resolution by notifying the Board of Trustees in writing of his disapproval and the reasons for it. If the Governor does not act within such thirty-day period, the resolution is deemed approved;

WHEREAS, in furtherance of the issuance of its Special Obligation Bonds pursuant to the Act, the University desires to enter into this Special Obligation Indenture of Trust with the Trustee in order to secure the payment of the Principal and redemption price, if any, of and the interest on the Bonds, and the performance of the covenants and agreements herein contained; and

WHEREAS, all things necessary to make the Bonds, when issued and authenticated by the Trustee as provided in this UConn 2000 Special Obligation Indenture of Trust, the legal, valid, and binding obligations of the University enforceable against the University according to the import thereof, and to constitute this Special Obligation Indenture of Trust a valid assignment

and pledge of the amounts pledged to the payment of the Principal and Redemption Price, if any, of and the interest on the Bonds have been done and performed, and the creation, execution and delivery of this Special Obligation Indenture, and the creation, execution and delivery of the Bonds subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

GRANTING CLAUSES

That the University, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Owners thereof, and of the sum of One Dollar (\$1.00) lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the Principal or Redemption Price, if any, of and interest on the Bonds according to their tenor and effect and all other amounts due in connection therewith and the performance and observance by the University of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, pledge and assign unto, and grant a security interest in and to the Trustee, and unto its respective successors and assigns in trust, and to their respective successors, in the following (collectively the "Trust Estate") forever to secure the Bonds:

(1) The Bond Proceeds Fund, the Debt Service Fund, and the Redemption Fund together with any and all receipts, funds or moneys, investments and other property of every kind and nature from time to time hereafter on deposit in or payable to such funds and accounts thereof except, with respect to the foregoing but subject to the provisions of Section 608 hereof, the Rebate Fund and moneys and securities in the Rebate Fund;

(2) All rights of the University under any Bond Facility or Swap Facility, including the right to receive Swap Receipts and Termination Receipts; and

(3) Subject to any Supplemental Indenture authorizing the issuance of any particular Series of Bonds and authorizing additional revenues as Pledged Revenues, Pledged Revenues including the right of the Trustee to require the application of any Pledged Revenues, together with any and all receipts, funds or moneys of every kind and nature from time to time hereafter available under this Special Obligation Indenture; provided, however, that any such Pledged Revenues, receipts, funds or moneys deposited in the Rebate Fund in accordance with Section 608 hereof shall not be part of the Trust Estate;

(4) To the extent included in any Supplemental Indenture authorizing the issuance of a particular Series of Bonds and the support of the Special Capital Reserve Fund for such Bonds, the Special Capital Reserve Fund, including all amounts on deposit in and if necessary certified by the University as necessary to restore the Special Capital Reserve Fund to the Special Capital Reserve Fund Minimum Requirement and deemed appropriated from the State's general fund and paid to the University, together with any and all moneys, investments and other property of every kind and nature from time to time hereafter on deposit in or payable to the Special Capital Reserve Fund; and

(5) To the extent included in any Supplemental Indenture authorizing the issuance of a particular Series of Bonds and the support of the Debt Service Reserve Fund for such Bonds, the Debt Service Reserve Fund, including all amounts on deposit in and if necessary certified by the University as necessary to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, together with any and all moneys, investments and other property of every kind and nature from time to time hereafter on deposit in or payable to the Debt Service Reserve Fund; and *(added by the Second Supplemental Indenture)*

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors and assigns in trust forever to its and their own proper use and behoof but:

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds from time to time issued and to be issued under and secured by this Special Obligation Indenture of Trust without privilege, priority or distinction as to the lien or otherwise of any Bond over any other Bonds equally secured, subject to the Supplemental Indenture pursuant to which any particular Series of Bonds was issued, and for enforcement of the payment of the Bonds in accordance with their terms, and all other sums payable hereunder, on or in connection with the Bonds and for the performance of and compliance with the obligations, covenants and conditions of and subject to the provisions of this Special Obligation Indenture of Trust, permitting the application and investment thereof for the purposes and on the terms and conditions set forth herein, including, with respect to certain of the Pledged Revenues, pursuant to Section 907 hereof, providing for prior payment provisions of a certain loan from the United States of America, acting by and through the Department of Education and the parity payment provisions of certain general obligation bonds of the State categorized by the State as self liquidating;

PROVIDED, HOWEVER, that if the University, and its successors and assigns, shall well and truly pay, or cause to be paid, the Principal and Redemption Price, if any, of and interest on the Bonds due or to become due thereon, at the times and in the manner stated on the Bonds according to their tenor, and shall cause the payments to be made as required under Article IX, Section 901 hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee money and Investment Obligations in the entire amount due or to become due thereon pursuant to Article XIV hereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Special Obligation Indenture of Trust to be kept, performed and observed by it, then upon the final payment thereof, this and the rights hereby granted shall cease, determine and be void; and thereupon the Trustee, on payment of its lawful charges, costs, expenses and disbursements then unpaid, shall duly execute, acknowledge and deliver to the University such instruments of satisfaction or release as may be necessary or proper to discharge this Special Obligation Indenture of Trust, including if appropriate, any required discharge of record, and if necessary shall grant, reassign and deliver to the University, its successors and assigns, all and singular, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Special Obligation Indenture of Trust is to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the University has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds as follows:

ARTICLE I

Definitions and Statutory Authority

101. **Definitions.** The following terms shall, for all purposes of this Special Obligation Indenture, except as otherwise defined, have the following meanings:

“**Act**” means Public Act No. 95-230 entitled ‘The University of Connecticut 2000 Act’, as amended to the date hereof, as amended from time to time pursuant to an Authorized Act Amendment.

“**Additional Bonds**” means all Bonds, other than the Initial Bonds, issued under this Special Obligation Indenture pursuant to a Supplemental Indenture adopted by the University pursuant to Section 204 and 910 and Refunding Bonds pursuant to Section 205 hereof, but not the Initial Bonds issued pursuant to the First Supplemental Indenture hereto.

“**Annual Financial Information**” means, with respect to the University, collectively:

- A. (1) the Audited Financial Statements of the University for the preceding Fiscal Year (commencing with the Fiscal Year beginning on or after January 1, 1997), and Unaudited Financial Statements for such Fiscal Year if such Audited Financial Statements are unavailable, pursuant to Section 1502 and 1503 hereof; and
- (2) investments in the Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Redemption Fund and the Special Capital Reserve Fund pledged to the payment of and securing the Bonds; and (*amended by the Second Supplemental Indenture*)
- (3) identification of all Bonds and Outstanding Bonds issued hereunder by the University, including a table summarizing certain Bond information, such as interest rates and call features; and
- B. Such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of such financial and operating data listed in Subsection A of this Section.
- C. Any or all of the items listed above may be included by specific reference to other documents which have been submitted to each NRMSIR and the SID, if any, or

filed with the SEC. If such document is an Official Statement, it must be available from the MSRB.

- D. In the event that any of the financial information or operating data constituting Annual Financial Information no longer can be generated because the operations to which such information or data relate have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information.
- E. Annual Financial Information shall mean, with respect to the State, the Annual Financial Information submitted or to be submitted by or on behalf of the State pursuant to the State's written continuing disclosure undertaking in compliance with the requirements of paragraph (b)(5) of the Rule.

“Assured Revenues” means revenues other than Project Revenues or patient revenues or any other revenues derived from the clinical operation of the University, to be received from fees, tuition, rentals, charges, gifts, investments, endowments and from grants, subsidies, contracts, leases or other agreements made by or with the federal government, the State or any political subdivision, agency or instrumentality of the Federal government or the state, or others, including the State Debt Service Commitment, the Minimum State Operating Provision and Special Eligible Gifts. *(amended by the Fifth Supplemental Indenture)*

“Athletic Stadia FIT Fee” means a surcharge on football tickets, men's ice hockey, men's and women's basketball tickets and on men's and women's soccer tickets for regular season, mini-plan and single-game purchases. *(added by Fifth Supplemental Indenture)*

“Audited Financial Statements” means, with respect to the University, the annual financial statements, if any, of the University, audited by such auditor as shall then be required or permitted by State law or this Special Obligation Indenture. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the University may from time to time, if required by federal or State legal requirements, modify the basis upon which its financial statements are prepared including Financial Policy Number 2 of State Comptroller respecting Accounting and Financial Reporting Standards for State of Connecticut Constituent Units of Higher Education, as same may be implemented and amended from time to time. Notice of any such modification shall include a reference to the specific federal or State law or regulation describing such accounting basis and shall be provided by the University to the Trustee, who shall promptly deliver such notice to (i) either the MSRB or each NRMSIR, and (ii) the SID, if any.

Audited Financial Statements shall mean, with respect to the State, the Audited Financial Statements submitted or to be submitted by or on behalf of the State pursuant to the State's written continuing disclosure undertaking in compliance with the requirements of paragraph (b)(5) of the Rule.

“Authorized Act Amendment” means a public or special act amending the Act and meeting or not contravening the requirements of Section 916 or other law or act that authorizes,

provides for, requires, or otherwise permits the financing hereunder of a Project or Projects and meeting or not contravening Section 916 hereof.

“Authorized Newspaper” means “The Bond Buyer” or “Fiduciary Communication” or successor publication or a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the City of New York, New York.

“Authorized Officer” means, in the case of the University, the Chairman or Vice-Chairman of the Board of Trustees, the financial committee of the Board of Trustees (acting by resolution and constituting the finance committee of the Board of Trustees within the meaning of the Act), the President, the Provost and Executive Vice President for Academic Affairs, the Executive Vice-President For Administration and Chief Financial Officer, or the Manager of Treasury Services (for the purpose of making disbursements and investments only), the Controller (for the purpose of making disbursements only), or any other person duly authorized by the bylaws or resolution of the University to perform the Act or sign the document in question. *(amended by the Second Supplemental Indenture and the Fifth Supplemental Indenture)*

“Board of Trustees” means the board of trustees of the University.

“Bond”, “Bonds” or “Special Obligation Bonds” means the Initial Bonds, together with any Additional Bonds.

“Bond Depository” means a place or institution that holds securities certificates for safekeeping and maintains a recordkeeping system such that all or a portion of such Bonds held can be sold and transferred without the physical movement of their corresponding certificates.

“Bond Facility” means an insurance policy, surety bond or agreement, standby purchase agreement, line of credit, letter of credit or other credit enhancement, or liquidity facility entered into for the purpose of assuring the timely payment of the Principal and Redemption Price, if any, of and interest on the Bonds.

“Bond Proceeds Fund” means such fund of the University established by Section 602 hereof and governed by Section 604 hereof.

“Bondholders” or “Holder of Bonds” or “Holder” or “Owner”, when used with reference to Bonds, or any similar term, means any person or party who shall be the registered owner of any Outstanding Bond;

“Business Day” shall mean any day other than (1) a Saturday or Sunday, (2) a day on which banking institutions located in the State or in any of the cities in which the principal corporate trust office of the Trustee, or the principal office of any Paying Agent, Surety or remarketing agent is located, are required or are authorized by law or executive order to close, or (3) a day on which the New York Stock Exchange is closed.

“Calendar Year” means a twelve-month period commencing January 1 and ending December 31 of any year.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“Computation Date” shall have the meaning given in the Federal Tax Documents.

“Cost”, as applied to a project or any portion of the project, includes, but is not limited to: The purchase price or acquisition cost of any such project; the cost of planning, designing, constructing, building, alteration, enlargement, reconstruction, renovation, improvement, equipping and remodeling; the cost of all labor, materials, building systems, machinery and equipment; the cost of all lands, structures, real or personal property, rights, easements and franchises acquired; the cost of all utility extensions, access roads, site development, financing charges, premiums for insurance, interest prior to and during construction and for six months thereafter; the cost of working capital related to the project; the cost of plans and specifications, surveys and estimates of cost and of revenues; the cost of accountants, audits, engineering, feasibility studies, legal and other professional consulting or technical services; the cost of reserves for payment of future debt service related to the financing transaction proceedings and for future repairs, renewals, replacements, additions and improvements; the cost of all other expenses necessary or incident to determining the feasibility or practicability of such construction; and administrative and operating expenses and such other expenses as may be necessary or incident to the financing authorized.

“Costs of Issuance” means all costs related to the proceedings under which Bonds are issued hereunder, including but not limited to salaries, administrative expenses, insurance premiums, fees, expenses or other similar charges payable to providers of a Bond Facility or a Swap Facility, including without limitation a Swap Provider, including a Termination Payment, other than Reimbursement Obligations or Swap Payments or other termination payments, auditing and legal expenses and fees and expenses incurred for professional consultants, financial advisors and fiduciaries, fees and expenses of the Trustee, fees for issuing and paying agents, fees and expenses of remarketing agents and dealers, fees and expenses of the underwriters if payable other than as a result of a discount on the purchase price of Bonds or Notes, fees and expenses of rating agencies, transfer or information agents, the publication of advertisements and notices, printers’ fees or charges incurred by the University or Treasurer on behalf of the University to comply with applicable federal and State securities or tax laws; and with respect to Bonds the interest on which is excludable from gross income of the recipient under the Code means only the costs of issuance of a Series of Bonds which may be paid with Bond proceeds as shall be consistent with Section 912 hereof.

“Costs of Issuance Sub-Account” means such sub-account established by Section 602 hereof and governed by Section 603 hereof.

“Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys selected by or satisfactory to the Treasurer, in consultation with the University (who may be the Attorney General of or other counsel to the University); provided however, that for the purposes of Article II and Article IX of this Special Obligation Indenture such term shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds.

“Debt Service Fund” means the Principal Installment and Interest accounts established pursuant to Section 602 hereof and governed by Section 606 hereof.

“Debt Service Expense Requirements” means for any period, and with respect to the Bonds, subject to this Indenture and any Supplemental Indenture authorizing the issuance of the Bonds, the sum of (A) the Principal Installments, Sinking Fund Installments and Interest Requirement accruing and coming due during such period, (B) the amounts, if any, required, with respect to interest rate fluctuations on variable rate debt, or to establish or maintain reserves, sinking funds or other funds or accounts at the respective levels required to be established or maintained therein in accordance with this Special Obligation Indenture or any Supplemental Indenture authorizing the issuance of Bonds hereunder, (C) annual expenses of issuance and administration with respect to the Bonds, (D) the amounts, if any, becoming due and payable under a reimbursement agreement or similar agreement entered into pursuant to authority granted under the proceedings authorizing the issuance of Bonds, (E) net amounts owing under interest rate agreements authorized and effective under section 10 of the Act, (F) arbitrage rebate requirements pursuant to subsection (b) of section 17 of the Act, and (G) any other annual costs or expenses necessary or proper to be paid in connection with the Bonds, including, without limitation, the annual cost of any Bond Facility, issued by a financial institution pursuant to an agreement approved in the Financing Transaction Proceedings.

“Debt Service Requirement” means, for any period, the sum of the Principal Installment and Interest Requirement.

“Debt Service Reserve Fund” means the fund established pursuant to the Act and Section 602 hereof and governed by Section 613 hereof. *(added by Second Supplemental Indenture, amended by Fifth Supplemental Indenture)*

“Debt Service Reserve Fund Requirement” means, with respect to any Series of Bonds issued under the Indenture (i) after May 1, 2000 and (ii) not supported by the Special Capital Reserve Fund, as of any date of computation and for the period computed, an amount equal to the maximum amount of Principal Installments, including Sinking Fund Installments, and Interest Requirements maturing and becoming due in the Calendar Year in which such computation is made or in any single succeeding Calendar Year on such Series of Outstanding Bonds; provided that for the purposes of determining the maximum amount required to be on deposit and thereafter maintained in the with respect to any Series of Bonds secured by the Debt Service Reserve Fund, the interest on which is excludable from gross income for federal income tax purposes, the Debt Service Reserve Fund Requirement shall (a) at no time exceed the least of (x) the sum of the maximum amount of (i) the Principal Requirement and (ii) the Interest Requirement coming due during the then or any succeeding Calendar Year or (y) 125% of the average annual Principal, Sinking Fund Installment and interest on any such Series of Outstanding Bonds coming due during the then current or any succeeding Calendar Year or (z) ten percent of the proceeds (as such term is used in Section 148(d) of the Code) from the sale of such Series of Bonds [or Notes] and (b) not be funded with in excess of ten percent (10%) of such proceeds from the sale of such series of Bonds or as otherwise limited by Federal tax law regarding the tax exemption of the Bonds. *(added by the Second Supplemental Indenture)*

“Dedication Instrument” means any document or agreement (including any Supplemental Indenture with respect to Additional Bonds if issued hereunder), duly authorized and executed by or on behalf of the University and approved by resolution of the Board of Trustees of the University, in order to accomplish the UConn 2000 Infrastructure Improvement Program or to finance a Project, to the extent permitted by applicable law and this Special Obligation Indenture, (a) authorizing the issuance of Special Obligation Bonds and providing a pledge or assignment of all or any portion of the Trust Estate; and (b) containing such other terms, provisions or restrictions as the University may deem necessary or appropriate in connection with the foregoing purposes, in each case as each such document, agreement or resolution may be amended or supplemented from time to time in accordance with the terms thereof and hereof and the provisions of the Act, including any Financing Documents and Financing Transaction Proceedings.

“Depository” means any qualified public depository or bank under the laws of the State and which is doing business both in the State and with the Trustee and any Paying Agent when designated in accordance with this Special Obligation Indenture.

“Event of Default” shall have the meaning given to such term in Article XII.

“Federal Tax Documents” means an arbitrage certificate and other documents executed by the University, signed by an Authorized Officer and any supplements and amendments thereto, to be delivered in connection with the issuance of any Bonds under this Special Obligation Indenture and setting forth the University’s expectations, certifications and representations concerning the use of the proceeds of such Bonds and other matters relating to compliance with the Code and consistent with the covenant of the University pursuant to Section 912 of this Special Obligation Indenture.

“Fiduciary” or **“Fiduciaries”** means the Trustee, any Paying Agent, any Depository, or any or all of them, as may be appropriate.

“Financing Transaction Proceeding” means the proceedings of the University authorizing the issuance of Bonds under the Act, the provisions of this Special Obligation Indenture or any Supplemental Indenture securing the Bonds, which provisions are incorporated into such proceedings, the provisions of any financing or other documents or agreements which are incorporated into such proceedings, and a certificate of determination executed and filed by the Treasurer in accordance with subsection (e) or (f) of section 7 of the Act.

“Fiscal Year” means a twelve-month period commencing on the first day of July of any year.

“Fitch” means Fitch Investors Service, L.P.

“GAAP” means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board (“GASB”).

“Indenture” or **“Special Obligation Indenture”** means this Special Obligation Indenture of Trust by and between the University and the Trustee dated as of January 1, 1997, as

amended or supplemented by Supplemental Indenture in accordance with the terms and provisions hereof.

“Information Services” means Financial Information, Inc. “Daily Called Bond Service,” 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services, “Called Bond Service,” 55 Broad Street, 28th Floor, New York, New York 10004; Moody’s Investors Service “Municipal and Government,” 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; Standard & Poor’s “Called Bond Record,” 25 Broadway, New York, New York 10004; and Fitch Investors Service, L.P., One State Street Plaza, New York, New York 10004, Attention: Municipal Bond Department; or, in accordance with the then current applicable guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or any other such services as the State may designate in writing to the Trustee.

“Initial Bonds” means the first Series of Bonds issued under this Special Obligation Indenture pursuant to the Act.

“Interest Account” means such account established by Section 602 hereof and governed by Section 606.

“Interest Payment Date” means each date on which interest is payable on the Special Obligation Bonds or in accordance with a Swap under this Special Obligation Indenture or, if such date is not a Business Day, the immediately succeeding Business Day.

“Interest Requirement” means, as of the date of computation with respect to any period, an amount equivalent to the aggregate maximum amount coming due during such period on any Interest Payment Date, of (1) interest which may be payable on Outstanding Bonds and (2) Swap Payments, provided that interest on Variable Interest Rate Bonds or Notes or Swaps shall be calculated in accordance with the Variable Interest Rate Calculation Rate, and further provided that if the University shall have entered into one or more Swaps (that is not a Subordinated Swap) with respect to a Variable Interest Rate Bond or Note, then the Bonds or Notes of such series in a principal amount equal to the Notional Amount shall be treated for purposes of this definition as bearing interest for such period at the fixed rate payable by the University under such Swap; if the University shall have entered into one or more Swaps (that is not a Subordinated Swap) with respect to a Bond or Note that is not a Variable Interest Rate Bond or Note which calls for a Variable Interest Rate Swap Payment by the University then the Bonds or Notes of such series in a principal amount equal to the Notional Amount shall be treated for purposes of this definition as a Variable Interest Rate Bond or Note bearing interest for such period at the Variable Interest Rate payable by the University under such Swap.

“Investment Obligations” means and includes any of the following:

- (1) Direct obligations of or obligations guaranteed by the United States of America;
- (2) Direct obligations of the U.S. government, obligations of Federal agencies backed by the full faith and credit of the U.S. government, the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corporation (“FHLMC”), purchased pursuant to repurchase agreements with any primary dealer on the Federal

Reserve reporting dealer list and, any bank which is rated “A” or better by Moody’s and S&P if rated by both, or is rated “A” by Moody’s or S&P if not rated by both (without regard to the addition of a plus (+) or a minus (-) to any rating) , pursuant to a written repurchase agreement, having a term of up to 30 days, which requires (a) that before or simultaneously with the payment for such obligations (i) such obligations shall be delivered to the Trustee (if the Trustee is not supplying the collateral) or to a third party acting as agent for the Trustee or the University (if the Trustee is supplying the collateral) such that the University has a perfected security interest in such obligations by possession and (ii) a legal opinion addressed to the University shall be delivered to the Trustee stating that the repurchase agreement complies with all provisions of State law governing the qualification of repurchase agreements as legal investments for public funds; (b) that such obligations be valued weekly and be marked-to-market, at their current market price, plus accrued interest, such that the value thereof is equal to 102% of the amount of cash transferred by the University to the financial institution under the repurchase agreement (unless such obligations are issued by FNMA or FHLMC, in which case the value must equal 103%), plus accrued interest; and (c) that if the value of obligations held as collateral is below 102% or 103% of the value of the cash transferred by the University as stated above, then additional cash and or acceptable securities must be transferred to the Trustee, the agent for the Trustee or the University, as the case may be so that the aggregate value of the obligations and cash so held is equal to the required percentage stated above;

(3) Any bond, debenture, note, participation or other similar obligation issued by Government National Mortgage Association, Farmers’ Home Administration and Export-Import Bank;

(4) Any bond, debenture, note, participation or other similar obligation issued by the Federal National Mortgage Association to the extent such obligations are guaranteed by the Government National Mortgage Association or issued by a Federal Agency backed by the full faith and credit of the United States of America other than as provided in Subsection (1) hereof;

(5) Any other obligation of the United States of America or any Federal agencies which may then be purchased with funds belonging to the State or which are legal investments for savings banks in the State, with the consent of any Bond Insurer;

(6) Public Housing Bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America;

(7) Direct and general obligations of or obligations guaranteed by the State of Connecticut, as to the payment of the principal of and interest on which the full faith and credit of the State is pledged, including any obligation of the University or financial guarantee purchased by the University that (1) has a rating equal to or better than that of the State and for which, pursuant to Section 8-258(g) of the General Statutes, the State has issued a collateralized direct guarantee of the State of the punctual payment of such investment or financial guarantee from the general fund of the State and carrying the full

faith and credit pledge of the State, (2) does not result in a reduction of any rating of the University's long-term debt, and (3) if rated by both Moody's and S&P, is rated by both Moody's and S&P in one of the two highest rating categories, or if not rated by both Moody's and S&P, is rated by either Moody's or S&P in one of the two highest rating categories (without regard to the addition of a plus (+) or a minus (-) to any rating);

(8) Deposits in interest-bearing time or demand deposits or certificates of deposit secured by obligations described in Subsections (1) through (6) of this definition;

(9) Participation certificates in the short term investment fund created and existing under Section 3-27a of the General Statutes;

(10) Tax-exempt Proceeds Fund established by the State Treasurer pursuant to Section 3-24a of the General Statutes;

(11) Such obligations, securities and investments as are set forth in Subsection (f) of Section 3-20 of the General Statutes, as the same may be amended from time to time; and

(12) Surety or Sureties.

“Listed Event” means any of the following events, if material, with respect to any Bonds issued under this Special Obligation Indenture:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements, reflecting financial difficulties;

(5) Substitution of any credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions or events affecting the tax-exempt status of the security;

(7) Modifications to rights of Bondholders;

(8) Bond calls;

(9) Bond Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds; and

(11) Rating changes.

“Listed Event Notice” means notice of a Listed Event required to be provided pursuant to Section 1504 hereof.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Moody’s” means Moody’s Investors Service.

“Minimum State Operating Provision” means the commitment of the State to appropriate annually an amount for the University for operations after receiving a request from the University therefor shall be consistent with the University continuing to operate in furtherance and pursuant to the provisions of section 2 of article eighth of the Constitution of the State and applicable law as an institution dedicated to the elsewhere in the State pursuant to section 5 of the Act; provided, however, nothing in section 1 to 25, inclusive, of the Act shall be construed to preclude the State from appropriating a lower or higher amount than the amount appropriated in the previous fiscal year so long as the appropriation act provides and determines that the University can continue to operate as an institution dedicated to excellence in higher education and such amount so appropriated shall then constitute the Minimum State Operating Provision.

“Notes” means any obligations of the University, other than Bonds, Reimbursement Obligations or Swaps, issued for the purposes of the Act to provide funds for deposit in the Bond Proceeds Fund and issued in anticipation of the issuance of Bonds.

“Notional Amount” means the non-payable or the theoretical principal amount with reference to which Swap Payments and Swap Receipts are calculated, as specified as such for each Swap in the documentation applicable thereto.

“NRMSIR” means, at any time, a then-existing nationally recognized municipal securities information repository, as recognized from time to time by the SEC for the purposes referred to in the Rule. The NRMSIRs as of the date of this Special Obligation Indenture are: Bloomberg Municipal Repositories (Princeton, NJ), DPC Data, Inc. (Fort Lee, NJ), Kenny Information Systems Inc. (New York, NY) and Thomson NRMSIR (New York, NY).

“Official Statement” means the final official statement, as defined in paragraph (f)(3) of the Rule, of the University relating to any Series of Bonds.

“Outstanding Bond” means, as of any date, a Bond or portion of any Bond of such Series theretofore or thereupon being authenticated and delivered under this Special Obligation Indenture, except any:

- (1) Bond cancelled by the Trustee and Paying Agent or the University at or prior to such date;
- (2) Bond for the payment or redemption of which cash, equal to the principal amount or Redemption Price, shall be held in trust under this Special Obligation Indenture for such purpose (whether at or prior to the maturity or Redemption Date), provided that if such Bond is to be redeemed, notice of such redemption shall have been given as provided in Article IV of this Special Obligation Indenture, or provision satisfactory to the Trustee shall have been made for the giving of such notice;

- (3) Bond referred to in Section 1105 of this Special Obligation Indenture;
- (4) Bond issued in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article IV, Section 406 and Section 1106 of this Special Obligation Indenture; and
- (5) Bond deemed to have been paid as provided in Section 1401 of this Special Obligation Indenture.

“Paying Agent” for the Bonds of any series means the bank or trust company located within or without the State and its successor or assigns, appointed by the University pursuant to the provisions of this Special Obligation Indenture and any successor or assign so appointed and approved.

“Pledged Revenues” means special revenues, subject to the prior lien on and pledge thereof noted in Section 907 hereof, to be received by the University from fees and charges for certain auxiliary activities, including the Residential Life Room Fee, the Student Apartment Rentals, the Greek Housing Fee, the Board (Dining) Fee, the Infrastructure Maintenance Fee, the Parking and Transportation Fee, the General University Fee, the Athletic Stadia FIT Fee and the Student Recreation Center Fee, (1) such other legally available revenues, including but not limited to other fees and charges and Special Eligible Gifts, as the Board of Trustees may determine to pledge hereunder by or pursuant to a Supplemental Indenture excluding in any event Assured Revenues from the State Debt Service Commitment and the Minimum State Operating Provision and (2) any interest earned or gains realized by the investment of moneys held by the Trustee in the Funds and Accounts created under Section 602 hereby, which are treated hereunder as Pledged Revenues and which constitute a part of the Trust Estate. *(amended by the Second Supplemental Indenture, the Fourth Supplemental Indenture and the Fifth Supplemental Indenture)*

“Principal” means the principal amount of the Bonds of a Series as due on a certain future date.

“Principal Installment” for any period, means, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding:

- (1) the principal amount of Bonds of said Series which mature in such period, reduced by the aggregate principal amount of such Bonds which would before such period be retired by reason of the payment when due and application in accordance with this Special Obligation Indenture or Sinking Fund Installments payable before such period for the retirement of such Bonds, plus
- (2) the unsatisfied balance (determined as provided in Section 606) of the Sinking Fund Installments, if any, due during such period for the Bonds of such Series.

“Principal Installment Account” means such account established by Section 602 hereof and governed by Section 606 hereof.

“Principal Installment Date” means each date on which Principal Installment or Sinking Fund Installments, if any, are payable on the Bonds as provided in or pursuant to this Special Obligation Indenture (or, if such date is not a Business Day, the immediately succeeding Business Day).

“Project” means any capital improvement to be financed with Bonds hereunder pursuant to the Act and described in a Supplemental Indenture, including any structure designed for use as a dormitory or other housing facility, dining facility, student union, academic building, administrative facility, library, classroom building, research facility, faculty facility, office facility, athletic facility, health care facility, laboratory, maintenance, storage or utility facility or other building or structure essential, necessary or useful for instruction in a program of education provided by the university; or any multipurpose structure designed to combine two or more of the functions performed by the types of structures enumerated in this subsection, including, without limitation, improvements, reconstruction, replacements, additions and equipment acquired in connection with a Project or in connection with operation of any facilities of the University existing on the effective date of the Act. “Project” includes all real and personal property, lands, improvements, driveways, roads, approaches, pedestrian access roads, parking lots, parking facilities, rights-of-way, utilities, easements and other interests in land, machinery and equipment, and all appurtenances and facilities either on, above or under the ground that are used or usable in connection with any of the structures mentioned in this subsection. “Project” also includes landscaping, site preparation, furniture, machinery, equipment and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended, but does not include items that are customarily under applicable accounting principles considered as a current operating charge, unless the category and maximum amount thereof is specifically included by a determination of the Board of Trustees in the Financing Transaction Proceedings and by percentage or otherwise as may be limited pursuant to such proceedings in order to preserve the excludability of the interest on the securities issued therefor from Federal taxation under the applicable provisions of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended.

“Project Revenues” means revenues received from Projects existing on the effective date of the Act, from Projects under construction or from Projects the acquisition, construction or accomplishment of which the University has entered into a binding commitment, anticipated by the Board of Trustees to produce annual revenues in an amount not less than the anticipated annual cost of operation, maintenance and repair of such Project, and annual debt service payments on any Financing Transaction Proceedings for the Project during the term of any such proceedings effected under the Act for the Project, as determined by the Board of Trustees.

“Rebate Amount” shall have the meaning given in the Federal Tax Documents.

“Rebate Fund” means such fund of the University established by Section 602 hereof and governed by Section 608 hereof.

“Record Date” means the close of business on the fifteenth day preceding an Interest Payment Date, or if such day shall not be a Business Day, the immediately preceding Business Day.

“Redemption Fund” means such fund of the University established by Section 602 hereof and governed by Section 607 hereof.

“Redemption Price” means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to this Special Obligation Indenture.

“Refunding Bond” means all Bonds constituting the whole or a part of a Series of Bonds delivered on original issuance pursuant to Sections 202 and 205.

“Reimbursement Obligation” means any obligation of the University to make payments to a provider of a Bond Facility in reimbursement of or as interest on (which interest may be higher than the interest rate on the related Bond) an advance or other payment made by such provider for the purpose of paying,

- (1) the Principal, Sinking Fund Installment, if any, Redemption Price of, or Interest Requirement on, any Bonds, or
- (2) the purchase price, plus accrued interest, if any, of any Bonds tendered pursuant to the provisions of an applicable Supplemental Indenture,

but only to the extent the Principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Bonds, without acceleration. Reimbursement Obligations shall not include (1) any payments of any fees, expenses, or other similar obligations to any such provider, or (2) any payments pursuant to term-loan or other Principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Bonds. Reimbursement Obligations may be evidenced by Bonds designated as “Bank Bonds,” which may bear a higher interest rate than the rate borne by the Bonds to which they relate.

“Renewal and Replacement Fund” means such fund of the University established by Section 602 hereof and governed by Section 612 hereof.

“Renewal and Replacement Fund Requirement” means that amount necessary for the University to maintain the Projects financed with the proceeds of the Bonds in sound operating condition in conformity with the Act, as determined, from time to time, by the University.

“Replacement Bonds” means substitute Bonds issued upon the discontinuance of the maintenance of Outstanding Bonds in book-entry form or the appointment of a replacement Securities Depository in accordance with this Indenture as supplemented and amended.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Special Obligation Indenture, including any official interpretations thereof issued either before or after such date which are applicable to Article XV hereof.

“SEC” means the United States Securities and Exchange Commission.

“Securities Depositories” means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax (312)663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax (215) 496-5058; or successor entities, or, in accordance with the then current applicable guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories or any such other depositories as the University may designate in writing to the Trustee.

“Series of Bonds” or **“Bonds of a Series”** or words of similar meaning, means the designated series of Bonds authorized by this Indenture with respect to Initial Bonds or by this Indenture and a Supplemental Indenture with respect to any Additional Bonds.

“SID” means, at any time, a then-existing State information depository, if any, as operated or designated as such by or on behalf of the State for the purposes referred to in the Rule. (As of the date of this Special Obligation Indenture, there is no SID).

“Sinking Fund Installment” means, for any period as of any date of calculation and with respect to any Outstanding Series of Bonds, the amount of money required by this Special Obligation Indenture or the Supplemental Indenture authorizing the issuance of such Series of Bonds to be paid on a single future fixed date for the retirement of any Outstanding Bonds of said. Series that mature after said future date, but does not include any amount payable by the University by reason only of the maturity of a Bond, and said fixed future date is deemed to be the date when such Sinking Fund Installment is payable and the date of such Sinking Fund Installment and said Outstanding Bonds are deemed to be the Bonds entitled to such Sinking Fund Installment. Unless otherwise provided in a Supplemental Indenture, each such future fixed date of any year shall be November 15.

“S&P” means Standard & Poor’s.

“Special Capital Reserve Fund” means the fund established pursuant to the provisions of the Act and Section 602 hereof and governed by Section 610 hereof.

“Special Capital Reserve Fund Maximum Requirement” means, as of any date of computation and for the period computed, an amount equal to the sum of the greatest amount of Principal Installments, including Sinking Fund Installments, and Interest Requirements maturing and becoming due in the Calendar Year in which such computation is made or in any single succeeding Calendar Year on all Outstanding Bonds of the University issued under this Special Obligation Indenture; provided that for the purposes of determining the maximum amount required to be on deposit and thereafter maintained in the Special Capital Reserve Fund with respect to any Series of Bonds secured by the Special Capital Reserve Fund, the interest on which is excludable from gross income for federal income tax purposes, the Special Capital Reserve Fund Maximum Requirement shall (a) at no time exceed the least of (x) the sum of the maximum amount of (i) the Principal Requirement and (ii) the Interest Requirement coming due during the then or any succeeding Calendar Year or (y) 125% of the average annual Principal, Sinking Fund Installment and interest on any such Series of Outstanding Bonds coming due

during the then current or any succeeding Calendar Year or (z) ten percent of the proceeds (as such term is used in Section 148(d) of the Code) from the sale of such Series of Bonds or Notes and (b) not be funded with in excess of ten percent (10%) of such proceeds from the sale of such series of Bonds or as otherwise limited by Federal tax law regarding the tax exemption of the Bonds.

“Special Capital Reserve Fund Minimum Requirement” means the maximum amount of Principal Installment and Interest Requirement becoming due by reason of maturity or a required Sinking Fund Installment in the succeeding Calendar Year on the Outstanding Bonds secured by such Special Capital Reserve Fund.

“State Debt Service Commitment” means, an annual amount payable by the State, commencing in the Fiscal Year ending June 30, 1996, and any Fiscal Year thereafter with respect to the debt service on bonds issued as general obligations of the University pursuant to section 7(c) of the Act for UConn 2000 in a principal amount not exceeding nine hundred eighty million dollars.

“Special Eligible Gift” means a gift to the University of cash or assets which may be reduced to cash by the University which the donor has specifically designated as a donation for use by the University in furtherance of UConn 2000 or which explicitly or implicitly by the terms thereof the University may use for UConn 2000 and which the University determines to so use therefor pursuant to section 9(a) of the Act.

“State Bonds” means general obligation bonds of the State issued or to be issued by the State for the purpose of financing capital improvements for the University.

“Student Apartment Rentals” shall mean the student apartment rentals to be received by the University from student apartment facilities that presently are or will become a UConn 2000 Project. *(added by the Second Supplemental Indenture)*

“Student Recreation Center Fee” means the mandatory student fee for Storrs based students, assumes an initial undergraduate rate of \$500/year and graduate rate of \$400/year. *(added by Fifth Supplemental Indenture)*

“Subordinated Swap” or **“Subordinated Swap Payments”** means either a financial arrangement that meets the definition of Swap or a net amount to be paid by the University under such financial arrangement that meets the definition of Swap Payment but does not qualify hereunder as a Swap or Swap Payment, respectively, and is expressly payable (including any termination payment thereunder) only from a subordinated account or is otherwise subordinated pursuant to this Special Obligation Indenture.

“Supplemental Indenture” means any supplemental indenture entered into by the Trustee and the University pursuant to and in compliance with the provisions of Article X of this Special Obligation Indenture providing for the issuance of Additional Bonds or Refunding Bonds, and shall also mean any other indenture between the same parties entered into pursuant to and in compliance with the provisions of Article X hereof amending or supplementing the provisions of this Special Obligation Indenture as originally executed or as theretofore amended or supplemented.

“Surety” means any surety agreement, insurance agreement, letters of credit or other type of agreement or arrangement, including guaranteed investment contracts satisfying the provisions hereof or of any applicable Supplemental Indenture authorizing a Series of Bonds, which provides for the availability, at all times required hereunder or under any such Supplemental Indenture, of the amount of money or the value of the Investment Obligations in lieu of which such agreement or arrangement is substituted; provided that (1) the financial institution providing such Surety shall have an outstanding, unsecured, uninsured and unguaranteed debt issue which has been assigned, or (2) such Surety itself is assigned, either of the three highest ratings (without regard to the addition of a plus (+) or a minus (-) to any rating) by S&P, Moody’s and Fitch, if either of the latter two is maintaining a rating on any Bonds not supported by the Special Capital Reserve Fund and is then rating such financing institution or Surety; and provided further that, if the financial institution providing or guaranteeing such Surety is an insurance company, the claims-paying ability of such insurance company shall be assigned either of the three highest ratings (without regard to the addition of a plus (+) or a minus (-) to any rating) by S&P and Moody’s or Fitch, if either of the latter two is maintaining a rating on any Bonds not supported by the Special Capital Reserve Fund and is then rating such insurance company.

“Swap” means any financial arrangement:

- (1) that is entered into by the University with an entity that is a Swap Provider at the time the arrangement is entered into;
- (2) which:
 - (a) provides that the University shall pay to such entity an amount based on the interest accruing at a fixed rate on the Notional Amount equal to all or part of the outstanding Principal amount of a Series of Bonds issued hereunder, and that such entity shall pay to the University an amount based on the interest accruing on the Notional Amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Series of Bonds) or that one (after adjustment for any cap, floor, collar or other financial arrangement referred to in (2)(c) hereof, with respect thereto) shall pay to the other the net amount (Swap Payment or Swap Receipt) due under such arrangement;
 - (b) provides that the University shall pay to such entity an amount based on the interest accruing on the Notional Amount equal to all or part of the outstanding principal amount of a Series of Bonds issued hereunder, at a variable rate of interest computed according to a formula set forth in such arrangement and that such entity shall pay to the University an amount based on the interest accruing at a fixed rate on the Notional Amount (which need not be the same as the actual rate of interest borne by such Series of Bonds) or that one (after adjustment for any cap, floor, collar or other financial

arrangement referred to in (2)(c) hereof, with respect thereto) shall pay to the other the net amount (Swap Payment or Swap Receipt) due under such arrangement; or

- (c) is included as part of or covered by the financial transaction described in (2)(a) or (2)(b) above or is separately executed and which is a cap, floor or collar, forward rate, future rate, asset, swap or index, price or market linked transaction or agreement, other exchange or rate protection transaction agreement, other similar transaction (however designated) or any combination thereof or any option with respect thereto executed by the University for the purpose of moderating interest rate fluctuations or otherwise pursuant to the Act, as amended; and

- (3) which has been designated in writing to the Trustee by an Authorized Officer of the University and authenticated or otherwise registered by the Trustee hereunder as a Swap with respect to a Series of Bonds or Notes.

“Swap” shall also include any such financial arrangement described in clauses (2) and (3) above entered into by the University with a Swap Provider, as a replacement of a Swap that has been terminated and which has been so designated in writing to the Trustee by an Authorized Officer of the University with respect to a Series of Bonds or Notes.

“Swap Facility” means an insurance policy, surety bond, letter of credit or other credit enhancement with respect to a Swap or any similar facility entered into for the same or similar purposes and may include Investment Obligations properly pledged to the University hereunder pursuant to the Swap Facility or by the Swap Provider, in each case sufficient to maintain any existing rating of the University’s Bonds. Payments by the University under a Swap Facility related to a Swap shall be deemed Swap Payments hereunder and shall not be deemed Reimbursement Obligations and payments to the University under a Swap Facility related to a Swap shall be deemed Swap Receipts. Payment by the University under a Swap Facility applicable to any fees, expenses or similar other charges or obligations thereunder shall be a Cost of Issuance or operating cost, as applicable.

“Swap Payment” means the net amount required to be paid by the University under a Swap (that is not a Subordinated Swap Payment) that is applicable to the interest rate exchange effected thereunder, but not any (1) fees, expenses or similar other charges or obligations thereunder (which shall be Costs of Issuance or Project Operating Expense, as applicable), or (2) any Termination Payment or other payments by the University on account of termination of the Swap.

“Swap Provider” means a financial institution whose long- term debt obligations, or whose obligations under a Swap are fully covered by a Swap Facility whose long-term debt obligations are (1) rated at least as high, by at least two nationally recognized rating agencies, as the greater of the University’s long-term debt, the State’s general obligation debt, or AA, in the case of Moody’s Aa, in the case of S&P, or the equivalent thereto in the case of any other rating agency (without regard to the addition of a plus (+) or a minus (-) to any rating); or (2) secured

by a pledge of Investment Obligations in amounts sufficient to achieve the ratings described in (1) hereof.

“Swap Receipt” means the net amount required to be paid to the University under a Swap, but shall not include any Termination Receipt.

“Termination Payment” means with respect to a Swap an amount required to be paid by the University to the Swap Provider or related Swap Facility as a result of the termination of the Swap or required to be paid by the University into a collateral account as security for any termination provided that any payment by the University on account of termination of a Swap shall be subject to amortization over several fiscal years to be determined and approved by the Treasurer in the Swap.

“Termination Receipt” means with respect to a Swap an amount required to be paid to the University by the Swap Provider or related Swap Facility as a result of the termination of the Swap.

“The Securities Depository” has the meaning ascribed to such term in 202(E) hereof.

“Treasurer” means the Treasurer of the State or the Deputy Treasurer.

“Trust Estate” means all of the funds, securities, property, rights, privileges and interest conveyed, pledged and assigned as provided in the Granting Clause of this Indenture, securing the payment of the Principal and Redemption Price, if any, of and interest on the Bonds according to their respective terms and all other amounts due in connection therewith and the performance and observance by the University of all the covenants expressed or implied herein and stated on the Bonds.

“Trustee” means State Street Bank and Trust Company, and any successor trust company or bank having the powers of a trust company within or without the State succeeding a prior trust company or bank as trustee, appointed pursuant to Section 810 hereof.

“UConn 2000 Infrastructure Improvement Program” or **“UConn 2000”** means the promotion, planning, designing, developing, encouraging, assisting, acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of any UConn 2000 Project and assisting directly or indirectly in the financing of the cost thereof pursuant to the Act including the program of the University pursuant to which it issues bonds under this Special Obligation Indenture.

“UConn 2000 Phase I Project” means any Project which is identified and referenced in section 5 of the Act as a Phase I Project, as same may be revised, deleted or added in accordance with the Act and this Special Obligation Indenture.

“UConn 2000 Phase II Project” means any Project which is identified and referenced in section 5 of the Act as a Phase II Project, as same may be revised, deleted or added in accordance with the Act and this Special Obligation Indenture.

“UConn 2000 Phase III Project” means any Project which is identified and referenced in Section 10a-109e of the Act as a Phase III Project, as the same may be revised, deleted or added in accordance with the Act and this Indenture. *(added by Fifth Supplemental Indenture)*

“UConn 2000 Project” means any UConn 2000 Phase I, UConn 2000 Phase II Project and UConn 2000 Phase III Project which the Board of Trustees by resolution authorizes to finance with Bonds hereunder provided such resolution is submitted to the Governor and has not been disapproved by the Governor within thirty (30) days of its submission. *(amended by Fifth Supplemental Indenture)*

“University” means The University of Connecticut, a constituent unit of the State system of public higher education, including The University of Connecticut Health Center and pursuant to the Act having perpetual succession as a body politic and corporate and an instrumentality and agency of the State or any body, agency, or instrumentality of the State or the State which shall hereafter succeed to the powers, duties and functions of the University hereunder.

“Unaudited Financial Statements” means the same as Audited Financial Statements, except that they shall not have been audited.

“Variable Interest Base Rate” means with respect to any Variable Rate Bonds, Notes or Swap Payments, the average interest rate borne by such series of Variable Interest Rate Bonds, Notes or Swap Payments for the twelve full calendar months (or such lesser period as such Series of Variable Rate Bonds, Notes or Swap Payments shall be Outstanding) preceding the date of calculation.

“Variable Interest Rate” means a variable interest rate to be borne by any Bond or Note within a Series of Bonds or Notes or by any Swap (whether a Swap Payment or Swap Receipt). The method of computing such variable interest rate shall be specified in a Supplemental Indenture authorizing such Series of Bonds or Notes or the Swap relating thereto. Such Supplemental Indenture or Swap shall also specify either (1) the particular period or periods of time for which such variable interest rate shall remain in effect, or (2) the time or times upon which any change in such variable interest rate shall become effective.

“Variable Interest Rate Bonds”, “Variable Interest Rate Notes” or “Variable Interest Rate Swap Payments” means Bonds or Notes which bear a Variable Interest Rate or a Swap Payment which by the terms of the Swap requires and provides for a Variable Interest Rate Swap Payment by the University.

“Variable Interest Rate Calculation Rate” means with respect to each Calendar Year:

- (1) with respect to Variable Interest Rate Bonds or Notes or Swap Payments bearing a Variable Interest Rate, which is not capped pursuant to the Swap or a Swap Facility, and/or is for a period or periods of time ending prior to the next immediate Interest Payment Date, the interest rate thereon in effect (pursuant to the Variable Interest Rate Bonds or Notes or a Swap applicable thereto) until the next date of change (being the date of calculation referred to in the definition of Variable Interest Base Rate) and thereafter for the balance of such Calendar Year the Variable Interest Base Rate plus an adjustment factor (herein “Adjustment Factor”) of 200 basis points (subject to the proviso below); or

(2) with respect to Variable Interest Rate Bonds or Notes or Swap Payments bearing a Variable Interest Rate which, for a period of time ending on or after the next immediate Interest Payment Date, is either capped by its terms or pursuant to the Swap or a Swap Facility or is fixed, the lesser of:

- (a) the interest rate by which the Variable Interest Rate is so capped if less than the rate calculated in (1) hereof, or
- (b) the Variable Interest Rate, so fixed, on the Variable Interest Rate Bonds or Notes or Swap Payments, respectively (pursuant to the Variable Interest Rate Bonds or Notes or a Swap applicable thereto);

provided, however, that in the event that an Authorized Officer of the University determines either as the consequence of a Swap or to meet the further assurance provisions of Section 906 that an Adjustment Factor greater than provided for under (1) hereof is required, then such additional Adjustment Factor for interest, as an Authorized Officer of the University shall determine is so required and is consistent and in compliance with Section 906 of this Special Obligation Indenture shall be utilized in (1) hereof.

102. **Interpretation.** A. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa.

B. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Special Obligation Indenture, refer to this Special Obligation Indenture.

C. Words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies and political subdivisions, as well as natural persons.

D. All approvals, consents and acceptances required to be given or made by any person or party hereunder shall be at the sole discretion of the party whose approval, consent or acceptance is required.

E. All section references to the Act shall refer to those sections as designated as of the date of adoption of this Special Obligation Indenture, and any successor section.

F. If any one or more of the covenants or agreements provided herein on the part of the University, the Trustee or any Paying Agent to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof, and shall in no way affect the validity of the other provisions of this Special Obligation Indenture or of the Bonds.

ARTICLE II

Authorization and Issuance of Bonds and Limitations on Issuance of Other Obligations

201. **Authority for this Special Obligation Indenture.** This Indenture is made and entered into by virtue of and pursuant to the provisions of the Act. The University has ascertained and hereby determines and declares that the execution and delivery of this Special Obligation Indenture is necessary to carry out the powers and duties expressly provided by the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate the purposes of the University in accordance with the Act and to carry out powers expressly given thereby, and that each and every covenant and agreement herein contained and made is necessary, useful or convenient to carry out and effectuate its purposes under the Act.

202. **Authorization for Issuance of Bonds and Obligations of University.** A. In order to provide sufficient funds for the UConn 2000 Infrastructure Improvement Program and not otherwise available from the sale of general obligation bonds of the University under its General Obligation Master Indenture of Trust, Special Obligation Bonds of the University are hereby authorized to be issued without limitation as to amount except as herein provided or as may be limited by law and such Bonds shall be issued subject to the terms, conditions and limitations established in this Special Obligation Indenture.

B. It is hereby expressly provided that the Bonds, Notes, Swaps, Subordinated Swaps, obligations of the University under a Swap Facility or Bond Facility, Reimbursement Obligations, Swap Payments and Termination Payments or other similar obligations of or payments by the University issued or incurred under and pursuant to this Special Obligation Indenture, shall be special obligations of the University, the Principal and Redemption Price (if any) of, interest on, and other amounts due in respect of which, shall be payable solely from the Trust Estate, and shall not be payable from nor charged upon any funds other than the Trust Estate pledged therefor as provided hereunder pursuant to the Act. The Bonds shall be entitled to the benefit of the continuing pledge of and lien on the Trust Estate created by this Special Obligation Indenture and, with respect to any Additional Bonds, the Supplemental Indenture authorizing the issuance thereof, to secure the full and final payment of the Principal, or Redemption Price, if applicable, thereof and the interest thereon.

C. The Bonds, Notes, Swaps, Subordinated Swaps, obligations of the University under a Swap Facility or Bond Facility, Reimbursement Obligations, Swap Payments and Termination Payments or other similar obligations of or payments by the University issued or incurred under and pursuant to this Special Obligation Indenture shall not constitute a general obligation of the University or a debt or liability of the State, including within the meaning of Section 3-21 of the General Statutes of the State, or any political subdivision thereof or a pledge of the faith and credit of the State, the University or of any other political subdivision of the State but shall be payable solely from the resources of the University described herein as the Trust Estate; the Bonds, Notes, Swaps, Subordinated Swaps, obligations of the University under a Swap Facility or Bond Facility, Reimbursement Obligations, Swap Payments and Termination Payments or other similar obligations of or payments by the University issued or incurred under

and pursuant to this Special Obligation Indenture constitute a special obligation of the University payable solely from, and are secured solely by a pledge of, the Trust Estate, including Pledged Revenues and to the extent pledged in the Supplemental Indenture authorizing a particular Series of Bonds, all amounts on deposit in and if necessary certified by the University as necessary to restore the Special Capital Reserve Fund to the Special Capital Reserve Fund Minimum Requirement and deemed appropriated from the State's general fund and paid to the University.

D. All Bonds shall contain on the face thereof a statement to the effect that:

NEITHER THE STATE OF CONNECTICUT NOR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE UNIVERSITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE UNIVERSITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS SOLELY FROM THE TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CONNECTICUT OR OF ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE UNIVERSITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE UNIVERSITY HAS NO TAXING POWER.

E. The Bonds may be maintained under a book-entry system with The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, or any other securities depository for the Bonds appointed pursuant to a Supplemental Indenture, or their successors ("The Securities Depository"), any other provisions of this Special Obligation Indenture to the contrary notwithstanding.

The Principal or Redemption Price of, and interest on, the Bonds shall be payable to The Securities Depository, or registered assigns, as the registered owner of the Bonds, in same day funds on each date on which the Principal or Redemption Price of, or interest on, the Bonds is due as set forth in this Special Obligation Indenture and stated on the Bonds. Such payments shall be made to the offices of The Securities Depository specified by The Securities Depository to the University and the Trustee in writing. Without notice to or the consent of the Holders of or the beneficial owners of the Bonds or Additional Bonds, the University and The Securities Depository may agree in writing to make payments of Principal and interest in a manner different from that set out herein. If such different manner of payment is agreed upon, the University shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as if set forth herein. Neither the University nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate Principal and interest payments to any participant of any Securities Depository (a "Participant") or the beneficial owners of the Bonds, or their nominees.

In the event that part but not all of any Bond is to be retired, The Securities Depository, in its discretion (a) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 406 of this Special Obligation Indenture upon presentation and surrender of such Bond to the Trustee, or (b) shall make appropriate notation on the Bond certificate indicating the date and amount of each Principal payment, provided that payment of the final principal amount of any Bond shall be made only upon presentation and surrender of such Bond to the Trustee.

So long as The Securities Depository or its nominee is the registered Owner of the Bonds, the University and the Trustee will recognize The Securities Depository or its nominee, respectively, as the Holder of all of the Bonds for all purposes, including (without limitation) the payment of the Principal or Redemption Price of, and interest on, the Bonds, the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the Holders of the Bonds under this Special Obligation Indenture.

The University, in its discretion, at any time may replace any Securities Depository as the depository for the Bonds with another qualified Securities Depository or discontinue the maintenance of the Bonds under a book-entry system upon at least 30 days' prior notice to The Securities Depository or such fewer number of days as shall be acceptable to such Securities Depository). A copy of any such notice shall be delivered promptly to the Trustee.

If the University discontinues the maintenance of the Bonds under a book-entry system, the University will issue or cause to be issued Replacement Bonds directly to the Participants as shown on the records of The Securities Depository or, to the extent requested in writing by any Participant, to the beneficial owners of Bonds as further described in this Subsection (6). The University shall make provisions to notify Participants and the beneficial owners of the Bonds, by mailing an appropriate notice to The Securities Depository, or by other means deemed appropriate by the University in its discretion, that it will issue Replacement Bonds directly to the Participants shown on the records of The Securities Depository or, to the extent requested in writing by any Participant, to beneficial owners of Bonds shown on the records of such Participant, as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing such notice (or such fewer number of days as shall be acceptable to The Securities Depository).

In the event that Replacement Bonds are to be issued to Participants or to beneficial owners of the Bonds, the University shall promptly have prepared Replacement Bonds in certificated form registered in the names of the Participants as shown on the records of The Securities Depository provided to the Trustee or, to the extent requested in writing by any Participant, in the names of the beneficial owners of Bonds shown on the records of such Participant, as of the date set forth in the notice delivered in accordance with the immediately preceding paragraph. Replacement Bonds issued to Participants or to beneficial owners shall be in fully registered form substantially in the form set forth in Exhibit A.

If the University replaces any Securities Depository as the depository for the Bonds with another qualified Securities Depository, Replacement Bonds issued to such replacement Securities Depository shall have the same terms, form and content as the Bonds initially registered in the name of the predecessor Securities Depository or its nominee except for the name of the registered Owner.

Each Securities Depository and the Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the University and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any beneficial owner of any Bonds; nor shall the University or the Trustee be liable for the failure of any Participant or other nominee of any beneficial owner of any Bonds to perform any obligation that such Participant or other nominee may incur to any beneficial owner of the Bonds.

203. **Provisions for Issuance of Bonds.** Any Supplemental Indenture authorizing the issuance of the Initial Bonds and any Additional Bonds, pursuant to Section 1003 hereof, must specify all of the following matters:

- A. The authorized principal amount of said Series of Bonds;
- B. The purpose for which such Series of Bonds are being issued, which shall be one or more of the UConn 2000 Projects identified in the Act;
- C. The date or dates of issue, maturity date or dates and amounts of each maturity of the Bonds of said Series which maturities shall not exceed five (5) years for equipment and library collections and not exceed thirty (30) years for any other purpose under the UConn 2000 Infrastructure Improvement Program;
- D. The interest rate or rates, or the manner of determining such rate or rates of the Bonds of said Series, and the interest payment dates (hereafter each an Interest Payment Date) therefor;
- E. The denomination or denominations of, and the manner of numbering and lettering, the Bonds of such Series;
- F. The Paying Agent and, subject to the provisions of Section and 202(E) and 802, the place or places of payment of the Principal, Sinking Fund Installments, if any, and Redemption Price, if any, of and interest on the Bonds of such Series; provided, however, that such Paying Agent may be appointed by the University prior to authentication and delivery of such Series of Bonds in accordance with the provision of Section 802;
- G. The Redemption Price or Redemption Prices, if any, and, subject to Article IV, the redemption terms, if any, for the Bonds of such Series;
- H. The form or forms of the Bonds of such Series (including whether such Bonds shall be issued in book-entry only form pursuant to Section 202(E) hereof or definitive form) and the Trustee's certificate of authentication;
- I. Directions for the application of the proceeds of the Bonds of such Series;
- J. The provisions relating to a Bond Facility, if any, to be arranged by the University in connection with the issuance of the Bonds of such Series, which may provide that the providers thereof shall have all or any of the rights and remedies of the Holders of the Bonds to which such Bond Facility relates and that the related Reimbursement Obligations shall have all or any of the payment, security and other rights applicable to the Bonds to which such Reimbursement Obligations relate, whether or not this Indenture specifically makes such provision;
- K. The provisions relating to a Swap, if any, or Swap Facility for the purpose of moderating interest rate fluctuations in connection with the issuance of the Bonds of such Series provided, however, in connection with the execution of a Swap related to a Series of Outstanding Bonds or a portion thereof, a Supplemental Indenture authorizing such Swap and identifying

such Bonds of such Series to which the Swap relates and otherwise setting forth the applicable provisions of this section shall be adopted; and

L. The provisions relating to the Special Capital Reserve Fund, in the case of Bonds to be supported by such Fund, or the provisions relating to the debt service reserve fund in the case of Bonds for which there is a debt service reserve fund requirement.

M. Any Series of Bonds shall be subject to redemption prior to maturity at such times and prices, in the manner and upon such terms and conditions, not inconsistent with this Special Obligation Indenture, as may be specified in the Supplemental Indenture authorizing such Bonds.

N. Provisions related, or delegation of the authority, to issue Notes on a parity as to interest or subordinated Notes in anticipation of the Series of Bonds and/or to issue Variable Interest Rate Bonds, including the provisions related to a commercial paper program or otherwise with respect to the Notes or to Variable Interest Rate in connection with the issuance of Bonds of such Series and the marketing and remarketing of any such Notes or Bonds provided, however, unless the Supplemental Indenture specifically precludes the issuance of parity Notes, Variable Interest Rate Bonds, or subordinated Notes, any Supplemental Indenture authorizing Bonds and Notes shall be deemed to include authorization and delegation in conjunction with an Authorized Officer of the University pursuant to Section 7(e) and (f) of the Act to the State Treasurer under the Indenture to sell Variable Interest Rate Bonds and Notes or subordinated Notes in commercial paper format or otherwise as the State Treasurer shall determine is in best interest of the State and University;

O. Directions for the application of the proceeds of the Bonds of such Series or Notes or subordinated Notes including, if applicable, provisions relating to application of Bond Proceeds of a Series of Bonds solely to payment of Notes or subordinated Notes issued in anticipation of such Bonds including pledging and granting a lien on such proceeds to the holders of such Notes or subordinated Notes and, accordingly, with a priority over any other lien on or pledge of such proceeds otherwise created by the Indenture; and

P. Any other provisions determined to be necessary, convenient or desirable to better secure the Bonds or to make the Bonds more marketable and any other matters of like or different character, which in any way affect the security or protection of the Bonds, all as the University shall deem advisable and which are in the best interests of the University and not in conflict with the provisions of the Act and this Special Obligation Indenture;

204. Conditions Precedent to Delivery of Bonds. All Bonds issued under this Special Obligation Indenture and Supplemental Indenture hereto shall be executed by the University for the original issuance and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the University or upon its order, but only upon receipt by the Trustee of:

A. a copy of this Special Obligation Indenture and any such Supplemental Indenture, certified by an Authorized Officer of the University;

B. a copy of the resolution of the Board of Trustees authorizing the UConn Project or UConn Projects to be financed by the proceeds of the Bonds to be issued, certified by an

Authorized Officer of the University, and approved by the Governor or not acted upon by the Governor within thirty days of its submission to the Governor;

C. the written order of the University as to the delivery of such Bonds signed by an Authorized Officer of the University describing such Bonds to be authenticated and delivered, designating the purchaser or purchasers to whom such Bonds are to be delivered, and stating the purchase price of such Bonds;

D. a Counsel's Opinion dated as of the date of such delivery by the Trustee to the effect that (1) this Special Obligation Indenture and any Supplemental Indenture authorizing the issuance of such Bonds, have been duly and lawfully entered into by the University, are in full force and effect and are valid and binding upon the University and enforceable in accordance with their terms, (2) this Special Obligation Indenture creates the valid pledge which it purports to create of the revenues or other receipts, funds or moneys held or set aside under this Special Obligation Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Special Obligation Indenture, (3) upon the execution, authentication and delivery thereof, the Bonds will be duly and validly issued and will constitute valid and binding special obligations of the University entitled to the benefits of this Special Obligation Indenture and such applicable Supplemental Indenture, and (4) the principal amount thereof, together with the principal amount of the Bonds, notes and other obligations of the University theretofore authorized and unissued and theretofore authorized, issued and Outstanding, will not exceed in aggregate principal amount any limitation thereon imposed by law;

E. the written approval of the Treasurer of the State, or his deputy, for the issuance and sale of the Bonds in accordance with the Act;

F. except in the case of Refunding Bonds, a certificate of an Authorized Officer of the University stating that the University is not in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Special Obligation Indenture or any Supplemental Indenture;

G. in the case of Bonds to be supported by the Special Capital Reserve Fund, (1) a written order of the University signed by an Authorized Officer of the University directing the deposit in the Special Capital Reserve Fund of available moneys of the University or so much of the proceeds of the Bonds to be issued, upon their issuance, sale and delivery, as is needed to increase the aggregate amount then held by the Trustee in said fund to the Special Capital Reserve Fund Maximum Requirement, setting forth the amount of such requirement; (2) a resolution of the Board of Trustees of the University to the effect that it is of the opinion and determines its self-sufficiency in accordance with the requirements of section 7(i) of the Act; (3) a certificate of determination of the Treasurer that the aforementioned self-sufficiency finding by the University has been submitted to and confirmed as not unreasonable or arbitrary; and (4) such certificate of determination, in effect, states that such Special Capital Reserve Fund is being used because such use improved or is essential to the rating of the Bonds or provides interest savings.

H. such further documents, moneys and securities as are required by the provisions of the Act, this Section 204 and Section 205 hereof, Article IX hereof (particularly Section 910

thereof), Article X hereof, or any Supplemental Indenture adopted pursuant to Article X of this Special Obligation Indenture.

I. in the case of Bonds to be supported by the Debt Service Reserve Fund, a written order of the University signed by an Authorized Officer of the University directing the deposit in the Debt Service Reserve Fund of available moneys of the University or so much of the proceeds of the Bonds to be issued, upon their issuance, sale and delivery, as is needed to increase the aggregate amount then held by the Trustee in said fund to the Debt Service Reserve Fund Requirement, setting forth the amount of such requirement. *(added by the Second Supplemental Indenture)*

205. **Provisions for Refunding Bonds.** A. One or more Series of Refunding Bonds may be authenticated and delivered to refund any Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits as are required by the provisions of the Act and this Special Obligation Indenture.

B. A Series of Refunding Bonds may be authenticated and delivered upon original issuance only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 205 hereof) of:

- (1) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on the Redemption Date, if any, specified in such instructions;
- (2) Irrevocable instructions to the Trustee, satisfactory to it, to give the notice provided for in Section 1401 hereof to the Holders of the Bonds being refunded;
- (3) One of the following:
 - (a) moneys in an amount sufficient to effect payment at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the Redemption Date, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded,
 - (b) Investment Obligations of the type described in Section 1401(B), in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to provide moneys in an amount sufficient to effect payment at the applicable Redemption Price of the bonds to be refunded, together with accrued interest on such bonds to the Redemption Date, which money or Investment Obligations shall be held by the Trustee or any one or more of the Paying Agents in a separate account in trust hereunder, or
 - (c) any combination of Subsections 3(a) and 3(b) of Subsection B of this Section 205; and

- (4) a certificate of an Authorized Officer containing such additional statements as may be reasonably necessary to show compliance with the requirements of this of Subsection B of this Section 205.

C. Any balance of the proceeds of the Bonds of each such Series shall be deposited in such funds or accounts as shall be specified in any Supplemental Indenture authorizing such Series of Refunding Bonds.

D. Any amounts received by the University from the State or any other source, which receipt is conditioned upon the use of such amounts by the University for the redemption of any Outstanding Bonds shall be deemed to be and treated as the proceeds of a Series of Refunding Bonds and the University shall deliver to the Trustee the documents and moneys or obligations, required by the provisions of Subsections (1), (2) and (3) of Subsection B of this Section and shall do all other acts and things necessary to accomplish the redemption of such Bonds, in accordance with applicable provisions of this Section 205.

ARTICLE III

General Terms and Provisions of the Bonds

301. **Medium of Payment; Form and Date; Letters and Numbers.** A. The Bonds shall be payable, with respect to interest, Principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

B. The Bonds shall be issued in the form of fully registered Bonds without coupons. The Bonds shall be in such form as provided in this Special Obligation Indenture substantially as set forth in Exhibit B with such insertions, omissions and variations as may be deemed necessary or appropriate by an Authorized Officer of the University executing the same and as shall be permitted by the Act, this Special Obligation Indenture and the applicable Supplemental Indenture authorizing such Bonds.

C. Each Bond shall be lettered and numbered as provided in this Special Obligation Indenture or an applicable Supplemental Indenture so as to be distinguished from every other Bond.

D. The date of original issuance of each Bond shall be the date specified in this Special Obligation Indenture or an applicable Supplemental Indenture. Bonds issued in exchange for Bonds of the same Series shall be dated the date of authentication and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (1) such date of authentication precedes the first Interest Payment Date of such Series, in which case such Bonds shall bear interest from the date of original issuance of such Series, or (2) such date of authentication is an Interest Payment Date, in which case such Bonds shall bear interest from their date of authentication; provided that if, as shown by the records of the Trustee, interest on such Bonds shall be in default, the Bonds issued in lieu of Bonds surrendered for transfer shall bear interest from the date to which interest has been paid in full on the Bonds surrendered.

302. **Legends.** The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Special Obligation Indenture as may be necessary or desirable to comply with custom or otherwise, as may be determined by the University prior to the authentication and delivery thereof.

303. **Execution and Authentication.** A. Each Bond shall be executed in the name of the University by the manual or facsimile signature of its President or other Authorized Officer and its corporate seal shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its President or other Authorized Officer. In case any officer who shall have signed, sealed or attested any of the Bonds shall cease to be such officer before the Bonds so signed, sealed or attested shall have been authenticated and delivered by the Trustee, such Bonds may nevertheless be authenticated and delivered as herein provided as if the person who so signed, sealed or attested such Bonds had not ceased to be such officer. Any Bond may be signed, sealed or attested on behalf of the University by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not have held such office.

B. The Bonds shall bear thereon a certificate of authentication executed manually by the Trustee. No Bond shall be entitled to any right or benefit under this Special Obligation Indenture or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the University shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered under this Special Obligation Indenture and that the Holder thereof is entitled to the benefits hereof.

304. **Exchange, Transfer and Registry of Bonds.** A. All the Bonds issued under this Special Obligation Indenture shall be subject to the provisions for registration and transfer contained in this Special Obligation Indenture and as stated on the Bonds. So long as any of the Bonds shall remain Outstanding, the University shall maintain and keep, at the principal corporate trust office of the Trustee, books for the registration and transfer of Bonds; and, upon presentation thereof for such purpose at said office, the University shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it or the Trustee may prescribe, any Bond. So long as any of the Bonds remain Outstanding, the University shall make all necessary provisions to permit the exchange of Bonds at the principal corporate trust office of the Trustee.

B. The Bonds shall be transferable only upon the books of the University, which shall be kept for the purpose at the principal corporate trust office of the Trustee, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered Owner or his duly authorized attorney. Upon the transfer of any such registered Bond, the University shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, tenor and Series and maturity as the surrendered Bond.

C. The registered Owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination of the same aggregate principal amount, tenor and Series and maturity of the surrendered Bond or

Bonds. Such Bond or Bonds shall be exchanged by the University for a new Bond or Bonds upon the request of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange satisfactory to the Trustee duly executed by the registered Owner or his duly authorized attorney.

D. The University and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the University as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Principal or Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the University nor any Fiduciary shall be affected by any notice to the contrary. The University agrees to indemnify and save each Fiduciary harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Special Obligation Indenture, in so treating such registered Owner.

305. **Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the University shall execute and the Trustee shall authenticate and make available for delivery Bonds in accordance with the provisions of this Special Obligation Indenture. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. For every such exchange or transfer of Bonds, whether temporary or definitive, the University or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, and, except (1) with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (2) in the case of a Bond issued upon the first exchange or transfer of a Bond or Bonds surrendered for such purpose within 60 days after the first authentication and delivery of any of the Bonds of the same Series, or (3) as otherwise provided in this Special Obligation Indenture, may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Neither the University nor the Trustee shall be required either to register, transfer or exchange Bonds of any Series for a period of fifteen days next preceding an interest payment on the Bonds of such Series or next preceding any selection of Bonds to be redeemed or thereafter until after the first mailing of any notice of redemption; or to register, transfer or exchange any Bonds called for redemption.

306. **Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be destroyed, stolen or lost, the University shall execute, and thereupon the Trustee shall authenticate and make available for delivery, a new Bond of like Series, tenor, maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee of evidence satisfactory to the University and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the University and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the

University and the Trustee may prescribe and paying such expenses as the University and Trustee may incur. All Bonds so surrendered to the Trustee shall be promptly cancelled by it. Any such new Bonds issued pursuant to this Section 306 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the University, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Special Obligation Indenture, in any moneys or securities held by the University or the Fiduciary for the benefit of the Bondholders.

307. Preparation of Definitive Bonds; Temporary Bonds. A. The definitive Bonds of each Series shall be lithographed or printed on steel engraved borders unless such Series of Bonds shall then be authorized to be issued in book-entry only form. Bonds of a Series authorized to be issued in book-entry only form may be printed in any manner determined by an Authorized Officer of the University. Until the definitive Bonds of any Series are prepared, the University may execute, in the same manner as is provided in Section 303, and, upon the request of the University, the Trustee shall authenticate and make available for delivery, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations thereof and as to exchangeability for registered Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in denominations authorized by the University, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The University at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without charge to the Holder thereof, make available for delivery in exchange therefor, definitive Bonds of the same aggregate principal amount, tenor and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Special Obligation Indenture.

B. If the University shall authorize the issuance of temporary Bonds in more than one denomination, the Holder of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and Series and maturity of any other authorized denomination or denominations, and thereupon the University shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 305, shall make available for delivery a temporary Bond or Bonds of like aggregate principal amount, tenor, Series and maturity in such other authorized denomination or denominations as shall be requested by such Holder.

C. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be promptly cancelled by the Trustee.

ARTICLE IV

Redemption of Bonds

401. **Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to the provisions of this Special Obligation Indenture shall be redeemable, upon notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as specified herein.

402. **Redemption at the Election or Direction of the University.** A. In the case of any redemption of Bonds other than as provided in Section 403, Bonds may be redeemed at the option of the University as provided herein. In exercising such option, the University shall give written notice to the Trustee of its election or direction so to redeem Bonds. Such notice shall specify (1) the Redemption Date, (2) the Series of Bonds to be redeemed, (3) the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the University in its sole discretion, subject to any limitations with respect thereto contained in this UConn 2000 Special Obligation Indenture), and (4) the moneys to be applied to the payment of the Redemption Price. Such notice shall be given at least sixty (60) days prior to the Redemption Date.

B. In the event that the Trustee gives notice of redemption as provided in Section 405, the Trustee shall pay to the appropriate Paying Agent or Paying Agents cash sufficient to redeem, at the Redemption Price thereof, together with interest accrued to the Redemption Date, all of the Bonds to be redeemed on the Redemption Date. To the extent the Trustee does not hold sufficient funds, the University shall promptly pay such amount to the Trustee, the Paying Agent or Paying Agents and shall notify the Trustee in writing of all such payments made by the University to any Paying Agent.

403. **Redemption Other Than at University's Election or Direction.** Whenever by the terms of this Special Obligation Indenture the Trustee is required to redeem Bonds other than at the election or direction of the University, the Trustee shall (1) select the Bonds to be redeemed as provided in Section 404 of this Special Obligation Indenture, (2) give the notice of redemption and (3) pay the Redemption Price thereof, together with interest accrued to the Redemption Date, to itself and the appropriate Paying Agents in accordance with the terms of this Article IV.

404. **Selection of Bonds to Be Redeemed by Lot.** In the event of redemption of less than all the Outstanding Bonds of like Series and maturity, the Trustee shall assign to each such Outstanding registered Bond a distinctive number for each \$5,000 of the principal amount of such Bond and shall select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers assigned to such registered Bonds as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the registered Bonds which were assigned the numbers so selected; provided, however, that only so much of the principal amount of each such registered Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. For the purposes of this Section 404, Bonds which have been selected by lot for redemption shall not be deemed Outstanding.

405. Notice of Redemption. A. When the Trustee shall receive notice from the University of its election or direction to redeem Bonds pursuant to Section 402, or when redemption of Bonds is required by this Special Obligation Indenture pursuant to Section 403, the Trustee shall give notice, in the name of the University, of the redemption of such Bonds, by first-class mail, postage prepaid to the registered Owners of Bonds of the Series which are to be redeemed, at their last known addresses, if any, appearing on the registration books of the University at least 30 days but not more than 45 days prior to the Redemption Date and a second notice of redemption shall be sent by registered or certified mail at such address to any registered Owner who has not submitted his Bonds to the Trustee or Paying Agent for payment on or before the date sixty days following the date fixed for redemption. Such notices shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of registered Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the Principal thereof to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable.

B. The Trustee shall promptly certify to the University that it has mailed or caused to be mailed such notice to such Bondholders, and such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The failure of any such Owner to receive notice shall not affect the validity of the proceedings for the redemption of Bonds. If directed in writing by the University, the Trustee shall give notice also by publication once a week for at least two (2) successive weeks in an Authorized Newspaper, the first such publication to be not less than thirty (30) days or more than sixty (60) days prior to the Redemption Date. In case, by reason of the temporary or permanent suspension of publication of any Authorized Newspaper, or by reason of any other cause, it shall be impossible to make publication of any required notice as herein provided, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice, provided that such publication or other notice shall, so far as may be possible, approximate the terms and conditions of the publication in lieu of which it is given.

C. The Trustee shall also send any required notice of redemption by first-class mail, postage prepaid to certain municipal registered Securities Depositories which are known to the Trustee to be holding Bonds of such Series and to at least two of the national Information Services that disseminate securities redemption notices at least 30 but no more than 45 days prior to the date fixed for redemption; provided that neither failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series of Bonds.

406. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 405, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the offices

specified in such notice, together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney, such Bonds, or portions thereof, shall be paid at the Redemption Price plus interest accrued and unpaid to the Redemption Date. All interest installments which shall have matured on or prior to the Redemption Date shall continue to be payable to the registered Owner. If there shall be drawn for redemption less than all of a Bond, the University shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, at the option of the Owner thereof, Bonds of like Series and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee and Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date, interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and, except with respect to any mandatory redemption, shall not be deemed to be in default hereunder.

ARTICLE V

Application of Bond Proceeds

501. **Application of Bond Proceeds.** A. Except as otherwise expressly provided in this Special Obligation Indenture, proceeds of the Bonds of any Series, upon their issuance, sale and delivery, shall be deposited in the funds, accounts or sub-accounts of the University in accordance with the provisions of this Special Obligation Indenture and a Supplemental Indenture authorizing the issuance of such Bonds, and shall be applied solely for the purposes for which amounts in said funds, accounts or sub-accounts, respectively, may be applied in accordance with the provisions of this Special Obligation Indenture.

B. Accrued interest, if any, received upon the delivery of any such Bonds shall be deposited in the Cost of Issuance Series Account or the Interest Account or such fund or account hereof as provided in a Supplemental Indenture authorizing the issuance of such Bonds. The amount received as a premium over the principal amount of such Bonds, if any, upon delivery of such Bonds, shall be deposited in such fund or account hereof, as set forth in a Supplemental Indenture authorizing the issuance of such Bonds.

C. The proceeds of sale of the Bonds of a Series of Refunding Bonds shall be deposited in the Redemption Fund or shall be applied as otherwise provided in the Supplemental Indenture authorizing the issuance of such Bonds.

ARTICLE VI

Establishment of Funds and Application Thereof

601. **Pledge Effected by Indenture.** The Trust Estate is hereby pledged to secure the payment of the Principal or Redemption Price, if any, and the interest on the Bonds (including the Sinking Fund Installments for the retirement thereof) in accordance with their terms and the provisions of this Special Obligation Indenture permitting the application or release thereof for or to the purposes and on the terms and conditions herein set forth. The pledge made in this Section 601 shall be valid and binding from the date hereof; the revenues, receipts, funds or moneys so pledged and hereafter received by the University shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act and the lien of any pledge made hereunder shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the University, irrespective of whether such parties have notice thereof.

602. **Establishment Funds and Accounts Therein.** A. The University hereby establishes and creates the following funds and accounts to be held by the Trustee:

- (1) Bond Proceeds Fund
 - (a) Cost of Issuance Series accounts
 - (b) Series accounts
- (2) Debt Service Fund
 - (a) Interest Account
 - (b) Principal Installment Account
- (3) Redemption Fund
- (4) Rebate Fund
- (5) Special Capital Reserve Fund
- (6) Renewal and Replacement Fund
- (7) Debt Service Reserve Fund *(added by the Second Supplemental Indenture)*
(amended by the Fifth Supplemental Indenture)

B. Nothing contained in the Act or in this Special Obligation Indenture shall preclude the University from establishing or creating debt service reserve accounts in connection with the issuance of a particular Series of Bonds not secured by the Special Capital Reserve Fund. Any such accounts may be established by a Supplemental Indenture hereto.

C. The University reserves the right and power, subject to this Indenture, to establish additional funds, accounts and subaccounts hereunder. All funds and accounts created under this Indenture, including such additional funds, accounts or subaccounts from time to time established hereunder, shall be held and maintained by the Trustee or the University in accordance with the terms of the Indenture.

603. **Costs of Issuance Account.** A. A separate sub-account within the Costs of Issuance Account designated “UConn 2000 Special Obligation Bonds Costs of Issuance Sub-account” may be established for the Bonds of each Series Outstanding.

B. There shall be deposited in the applicable sub-account of the Costs of Issuance Account from time to time the amount of moneys necessary to pay the Costs of Issuance of each Series of Bonds from either:

- (1) the proceeds of the Bonds of such Series as specified and determined in any Supplemental Indenture authorizing the issuance of such Series,
- (2) moneys from time to time received by the University from any other source and determined by the University to be deposited therein, unless required to be otherwise applied as provided by this Special Obligation Indenture, or
- (3) moneys deposited therein from the Pledged Account.

Such proceeds and moneys shall be used to pay only the Costs of Issuance of the Series of Bonds for which such proceeds and moneys were deposited. The Costs of Issuance of any Series of Bonds shall be paid only from the same Series Sub-account of the Costs of Issuance Account.

C. An Authorized Officer of the University shall from time to time pay out, or permit the withdrawal of, moneys in the Costs of Issuance Account, free and clear of any lien or pledge created by this Article VI, for the purpose of paying any Costs of Issuance.

D. Upon payment of all Costs of Issuance of a Series of Bonds for which a separate sub-account has been established in the Costs of Issuance account, an Authorized Officer of the University shall transfer any moneys remaining in said sub-account to the same Series Sub-account of the Bond Proceeds Fund or, subject to compliance with Section 912 hereof, to other Costs of Issuance accounts hereunder or to the University on account of payment of Costs of Issuance.

E. Upon the deposit of the proceeds of the Bonds of a Series or other moneys in the manner hereinabove prescribed in the Costs of Issuance account, an Authorized Officer of the University shall, invest and reinvest in Investment Obligations the moneys in said account and shall sell at the best price obtainable, or present for redemption, any obligations purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment from the Costs of Issuance Account.

604. **Bond Proceeds Accounts.** A. Within the Bond Proceeds Fund a separate sub-account designated “UConn 2000 Special Obligation Bond Proceeds Sub-account” may be established for the Bonds of each Series Outstanding.

B. Except as provided in Section 610 hereof, there shall be deposited into the applicable Series Sub-account of the Bond Proceeds Fund, only the amount of the proceeds of the Bonds of any Series required to be deposited therein as shall be specified and determined by the Supplemental Indenture authorizing such Series of Bonds, in accordance with and subject to the provisions of Article V hereof.

C. Moneys in the Bond Proceeds Fund shall be expended only for a UConn 2000 Project subject to the provisions and restrictions of this Section 604 of this Special Obligation Indenture.

D. Except as may be limited by the purposes for which a Series is issued as set forth in the Supplemental Indenture authorizing such Series, amounts in the Bond Proceeds Fund shall be expended and applied by the University from time to time only to payments:

- (1) for the financing of a UConn 2000 Project, including reimbursement to the University on account of expenditures of the University prior to the receipt of proceeds of Bonds or Notes hereunder,
- (2) of Principal, Redemption Price, if any, and interest when due (whether at the maturity of Principal or the due date of interest or upon redemption) on any Notes issued in anticipation of Bonds hereunder,
- (3) to the State on account of moneys paid or advanced by the State, other than through operation of the Special Capital Reserve Fund, to the University and used by the University for a UConn 2000 Project being financed by Bonds issued hereunder, including for purposes permitted under Section 13 of the Act, or
- (4) to the extent that other moneys are not available, of Principal Installments of and interest on Bonds when due.

E. Upon the deposit of the proceeds of the Bonds of a Series or other moneys in the manner hereinabove prescribed in the Bond Proceeds Fund, an Authorized Officer of the University shall furnish the Trustee with a schedule of dates on which it is estimated by the University that such moneys in said account will be required to be expended. The University may from time to time amend the schedule so furnished. Upon receipt of such schedule or amended schedule, an Authorized Officer of the University shall, or cause the Trustee to, invest and reinvest in Investment Obligations the moneys in said account so that the maturity date or date of redemption at the option of the Holder of such obligations shall coincide as nearly as practicable with the times at which moneys are needed by the University to be so expended. The obligations purchased shall be held by the Trustee and shall be deemed at all times to be part of the Bond Proceeds Fund and the Trustee shall keep the University advised as to the details of all such investments. The Trustee shall sell at the best price obtainable, or present for redemption, any obligations purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment from the Bond Proceeds Fund. Any interest earned or

gains realized by the investment of such moneys shall be considered and treated as Pledged Revenues.

F. The University is further authorized and directed to order each disbursement from the Bond Proceeds Fund upon a certification filed with Trustee, signed by an Authorized Officer of the University. Such certification shall (i) state the requisition number, (ii) specify the Project and sub-account and the nature of each item or category of cost and certify the same to be correct and proper under this Section and that such item or category of cost has been properly paid or incurred as a cost of the Project and, pursuant to Section 912 hereof, is consistent with the covenant of the University respecting tax exempt obligations and any Tax Regulatory Agreement with respect thereto, (iii) certify that none of the items or categories for which the certification is made has formed the basis for any disbursement theretofore made from the Bond Proceeds sub-account (iv) certify that the payee and amount stated with respect to each item in the certification are correct and that such item is due and owing, and (v) specify the name and address of the person to whom payment is due or has been made.

G. At any time, the University, by delivery to the Trustee of an Authorized Officer's Certificate, is permitted and may direct the Trustee to transfer any moneys:

- (1) to the Redemption Fund, and/or
- (2) to another Sub-account of the Bond Proceeds Fund.

H. The University covenants that promptly after determination by the University that a UConn 2000 Project financed in whole or in part with proceeds of bonds issued hereunder has been completed or discontinued it will deliver to the Trustee a certificate signed by an Authorized Officer authorizing a transfer as provided for in Subsection G of this Section.

605. Flow of Pledged Revenues. A. The University shall cause all moneys received as Swap Receipts to be deposited promptly in the Interest Account and unless otherwise specified in any Supplemental Indenture, received as Termination Receipts to be deposited promptly in the Redemption Fund.

B. At least fifteen (15) days prior to any Interest Payment Date or Principal Installment Date and with respect to the Pledged Revenues, an Authorized Officer of the University shall transfer, remit or pay and direct the Trustee to deposit or credit the following accounts and funds, but as to each such account and fund, only within the limitations hereinbelow indicated with respect thereto and only after maximum payment within each limitation into each such account or fund previously mentioned in the following tabulation:

FIRST -- Into the Interest Account the amount necessary to increase the amount in such account so that it equals the Interest Requirement on the Outstanding Bonds becoming due on such Interest Payment Date.

-- Into the Principal Installment Account, the amount necessary to increase the amount in such account so that it equals the Principal Installments coming due or payable on such Principal Installment Date.

SECOND -- Into the Special Capital Reserve Fund and into the Debt Service Reserve Fund, as applicable, pro rata between and within such Funds as to the Principal amount of Bonds then Outstanding, the amount, if any, necessary to increase the amount in the applicable Fund so that it equals the Special Capital Reserve Fund Maximum Requirement or the Debt Service Reserve Fund Requirement as the case may be. *(as amended by the Second Supplemental Indenture)*

THIRD -- Into the Renewal and Replacement Fund, the amount of the Renewal and Replacement Fund Requirement for each and every Project financed with the proceeds of Outstanding Bonds.

FOURTH -- Into the Redemption Fund, the amount, if any, set forth in a Certificate of an Authorized Officer of the University pursuant to Section 607 hereof.

PROVIDED THAT, with respect to the deposits required pursuant to Subsection B of this Section 605, the fact that the University shall not have received sufficient Pledged Revenues with which to make the deposits or credits each month as prescribed above to meet any of the requirements thereof shall not, by the fact itself, be construed as an "Event of Default" under Section 1201 hereof and, FURTHER PROVIDED, that if subsequent to any Interest Payment Date or Principal Installment Date, the Special Capital Reserve Fund or the Debt Service Reserve Fund, as the case may be, is below its Special Capital Reserve Fund Maximum Requirement or the Debt Service Reserve Fund Requirement, as the case may be, an Authorized Officer of the University shall cause the first Pledged Revenues thereafter received to be deposited therein in an amount necessary to increase the amount in such Fund so that it equals the Special Capital Reserve Fund Maximum Requirement or the Debt Service Reserve Fund Requirement, as the case may be. *(amended by the Second Supplemental Indenture)*

606. **Debt Service Fund.** A. The Trustee shall pay out of the Interest Account to the respective Paying Agents for any Bonds (1) on or before each Interest Payment Date, the amounts required for the payment of interest on Outstanding Bonds and Swap Payments due on such date, and (2) on or before the Redemption Date or date of purchase, the amounts required for the payment of accrued interest on Bonds redeemed or purchased for retirement, unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by such Paying Agents to such payments.

B. The Trustee shall pay out of the Principal Installment Account to the respective Paying Agents on the Principal Installment Date the amounts required for the payment of Principal due on Outstanding Bonds on such date and such amounts shall be applied by the Paying Agents to such payments.

C. The amount accumulated, if any, in the Principal Installment Account for each Sinking Fund Installment may, and if so directed by the University shall, be applied (together with amounts accumulated in the Interest Account with respect to interest on Bonds for which such Sinking Fund Installment was established) by the Trustee prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

- (1) to the purchase of Bonds of the maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the Redemption Price for such Bonds when such Bonds are redeemable by application of such Sinking Fund Installment plus unpaid Interest accrued to the date of purchase, such purchases to be made in such manner as the Trustee shall determine; or
- (2) to the redemption, pursuant to Article IV, of such Bonds then redeemable by their terms at the Redemption Price referred to in Subsection (1) of this Subsection C.

D. Upon the purchase or redemption of any Bond pursuant to Subsection C of this Section 606, an amount equal to the principal amount of the Bond so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited as directed by an Authorized Officer of the University, or in the absence of such direction, against future Sinking Fund Installments in direct chronological order. The portion of any Sinking Fund Installment remaining after the crediting thereto of any such amounts and of any amounts to be credited thereto as provided in subsection G of this Section 606 (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculating Sinking Fund Installment due on a future date.

E. As soon as practicable after the forty-fifth day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption pursuant to Section 403 of this Special Obligation Indenture, on such due date, Bonds of the maturity for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the principal amount specified for such Sinking Fund Installment of the Bonds of such maturity. The Trustee shall so call such Bonds for redemption whether or not it then has moneys in the Principal Installment Account sufficient to pay the applicable Redemption Price thereof on the redemption date. The Trustee shall pay out of such Principal Installment Account to the appropriate Paying Agents on or before each such redemption date the amount required for the redemption of the Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

F. The University may, from time to time, by written instructions direct the Trustee to make purchases under Subsection C of this Section 606 only upon receipt of tenders after published notice. The University may specify the length of notice to be given and the dates on which tenders are to be accepted or may authorize the Trustee to determine the same in its discretion. All such tenders shall be sealed proposals and no tenders shall be considered or accepted at any price exceeding the price specified hereunder for the purchase of Bonds. The Trustee shall accept bids with the lowest price and if the moneys available for purchase pursuant to such tenders are not sufficient to permit acceptance of all tenders and there shall be tenders at any equal price above the amount of moneys available for purchase, then the Trustee shall select by lot, in such manner as the Trustee shall determine in its discretion, the Bonds tendered which shall be purchased. No purchase of Bonds, either on tenders or otherwise, shall be made by the Trustee within the period of forty-five days next preceding any date on which such Bonds are subject to redemption.

G. If at any time Bonds of any Series or maturity for which Sinking Fund Installments shall have been established are purchased or redeemed other than pursuant to this Article VI, the University may from time to time and at any time by written notice to the Trustee, specify the portion, if any, of such Bonds so purchased or redeemed and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such notice shall specify the amounts of such Bonds to be applied as a credit against such Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than 60 days after such notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installments for the purpose of calculation of Sinking Fund Installments due on a future date.

607. **Redemption Fund.** There shall be deposited into the Redemption Fund, the amount of Bond proceeds required to be deposited therein pursuant to Section 604 hereof; there may also be deposited into the Redemption Fund, Pledged Revenues including Termination Receipts in the amount determined by the University pursuant to Section 605 hereof. Amounts in the Redemption Fund may be applied as directed by the University in a certificate of an Authorized Officer of the University filed with the Trustee to the purchase of Bonds at prices not exceeding the Redemption Price thereof applicable on the next redemption date plus accrued interest to such next redemption date (such redemption date shall be the earliest date upon which Bonds are subject to redemption from such amounts) or to the redemption of Bonds pursuant to Article IV hereof and, with respect to any such redemption or purchase, to the payment, if necessary, of amounts under a Swap to effectuate a reduction in the Notional Amount thereof equivalent to the principal amount of the Bonds so redeemed or purchased.

Upon any purchase or redemption of Bonds of any Series and maturity for which Sinking Fund Installments shall have been established other than by application of Sinking Fund Installments, an amount equal to the applicable Redemption Prices thereof (as specified below) shall be credited toward a part of all or any one or more of such Sinking Fund Installments, as directed by an Authorized Officer, or, failing such direction by June 30 of each year, toward such Sinking Fund Installment in inverse order of their due dates. Such applicable Redemption Prices shall be the respective Redemption Prices which would be applicable upon the redemption of such Bonds from the respective Sinking Fund Installments on the due dates thereof. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of the calculation of Sinking Fund Installments due on a future date.

608. **Rebate Fund.** With respect to a Series of Bonds sold under this Special Obligation Indenture or any Supplemental Indenture hereto issued as federally tax-exempt bonds,

an Authorized Officer of the University shall deposit to the Rebate Fund any moneys (i) held by it under any funds or accounts pursuant to this Special Obligation Indenture, (ii) held by it other than pursuant to this Special Obligation Indenture and legally available for deposit in the Rebate Fund, (iii) delivered to it by any qualified person for deposit in the Rebate Fund, or (iv) transferred or paid to it by the University in accordance with the provisions of this Section for deposit therein. An Authorized Officer of the University shall make such deposit to the Rebate Fund at such times and in such amounts as shall be set forth in a written determination by an Authorized Officer of the University to be necessary to comply with the Code with respect to such Series of Bonds. The University shall transfer at such times such amounts from the Renewal and Replacement Funds and other legally available funds of the University as Authorized Officer of the University shall determine to be necessary to comply with the Code with the respect to such Series of Bonds.

Moneys on deposit in the Rebate Fund shall be applied by an Authorized Officer of the University to pay Rebate Amounts to the Department of the Treasury of the United States of America at such times as may be set forth in the Federal Tax Documents or the Treasurer shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America. At any time and from time to time, moneys which the Authorized Officer of the University determines to be in excess of the amount required to be so rebated shall be deposited to any fund or account held pursuant to this Special Obligation Indenture, including the Bond Proceeds Fund, in accordance with the directions of such Authorized Officer.

609. Release and Restriction on Pledged Revenues. A. Subject to providing for the deposits or payments pursuant to Section 605 or otherwise under this Indenture and providing for the payment of Special Obligation Debt Service Expense Requirements, the Pledged Revenues may be expended by the University free and clear of the pledge of and lien created thereon by this Indenture pursuant to the Act.

B. Pursuant to the Act, at such time as any Pledged Revenues are not required for other corporate purposes of the University, and in any event, on the date one year after the Bonds secured by the Special Capital Reserve Fund, together with interest on such Bonds, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the Holders thereof, are fully met and discharged, such moneys shall be paid to the State as repayment of amounts, if any, theretofore advanced by the State for deposit in the Special Capital Reserve Fund.

610. Special Capital Reserve Fund. A. If on any Interest Payment Date or Redemption Date, for those Bonds secured by the Special Capital Reserve Fund, the amount in the Principal Installment Account, the Redemption Fund or the Interest Account shall be less than the amount required for the pro-rata payment of any Principal Installment, Redemption Price, Swap Payment or interest on the Outstanding Bonds due on such Principal Installment Date, Interest Payment Date, or Redemption Date and entitled to payment therefrom, the Trustee shall transfer money from the Special Capital Reserve Fund in the amount required for the payment of any Principal Installment, Sinking Fund Installment, Redemption Price, Swap Payment or interest due on such date on Outstanding Bonds secured by the Special Capital Reserve Fund to such deficient Principal Installment Account, the Redemption Fund or the

Interest Account and the Trustee shall apply such moneys solely to pay the amounts due in respect of Bonds secured by the Special Capital Reserve Fund.

B. Whenever the amount in the Special Capital Reserve Fund, together with the amount in the Debt Service Fund, is sufficient to fully pay the Principal of or any interest on all Outstanding Bonds supported by the Special Capital Reserve Fund in accordance with their terms (including the Sinking Fund Installments for the retirement thereof), all amounts on deposit in the Special Capital Reserve Fund shall be transferred to the appropriate accounts in the Debt Service Fund. Prior to said transfer, all Investment Obligations held in the Special Capital Reserve Fund may be liquidated.

C. Whenever the University shall deliver instructions to the Trustee to redeem Bonds supported by the Special Capital Reserve Fund or the redemption of such Bonds is required by this Special Obligation Indenture (other than by application of Sinking Fund Installments) and such redemption is to be made from amounts then on deposit in any fund or account other than the Special Capital Reserve Fund, the Trustee shall calculate the amount by which the amount on deposit in the Special Capital Reserve Fund will exceed the Special Capital Reserve Fund Maximum Requirement immediately following the redemption of the Bonds specified in such instructions (and to be redeemed from such amounts) and such amount shall on the Redemption Date specified in such instructions, be deposited into the Redemption Fund and applied to the redemption of such Bonds. The Trustee shall give notice of the redemption of such Bonds and shall select the particular Bonds supported by the Special Capital Reserve Fund to be so redeemed in such manner as the University shall specify in written instructions or failing such instructions, as the Trustee shall in its discretion deem advisable.

D. The Trustee shall sell or redeem Investment Obligations to the extent necessary to provide money to make any required payment pursuant to this Section 610 and, at the direction of the University, shall sell or redeem Investment Obligations to make any deposit, purchase, payment or redemption as permitted pursuant to this Section 610.

E. Any interest or other income earned by investment of moneys deposited in the Special Capital Reserve Fund under this Special Obligation Indenture shall, upon the direction of an Authorized Officer, be deposited by the Trustee as Pledged Revenues into the Interest Account of the Debt Service Fund, provided that in the event that the amount held by the Trustee in the Special Capital Reserve Fund on the date such interest or other income is received is less than the Special Capital Reserve Fund Maximum Requirement on such date, such interest and other income shall be retained in the Special Capital Reserve Fund to the extent of such deficiency therein, and the balance, if any, shall be deposited as aforesaid.

F. On December 1, of any year if:

- (1) the amount in the Special Capital Reserve Fund exceeds the Special Capital Reserve Fund Maximum Requirement, and
- (2) all withdrawals from the Special Capital Reserve Fund provided for in Subsection A of this Section 610 have been made, then, except as otherwise provided by Subsection C of this Section,

the University may direct the Trustee to withdraw the excess from the Special Capital Reserve Fund and deposit the amount so withdrawn into the Rebate Fund if necessary to comply with Section 912 hereof and thereafter, any other Fund under this Special Obligation Indenture.

G. Amounts in the Special Capital Reserve Fund not needed for immediate use or disbursement may, at the discretion of the University, be invested in Investment Obligations, maturing at such time or times as the University shall determine is appropriate to have accounts available to make payments required to be made therefrom. For the purpose of valuation and pursuant to Section 7(i) of the Act, Investment Obligations shall be valued at amortized cost.

611. **Notes.** The University may, at any time or from time to time, issue Notes payable out of, and which may be secured by a pledge of:

- (1) such amounts as may be payable from time to time to the Pledged Account; provided, however, that the Notes shall be issued only for a purpose for which amounts in the Bond Proceeds Fund could be applied in accordance with Section 604 of this Special Obligation Indenture, and such pledge shall be, and shall be expressed to be, subordinate to the pledge of and lien on the Trust Estate for the security of the Bonds, created by this Special Obligation Indenture except, however, the principal of, redemption premium, if any, and interest on such Notes and renewals thereof shall be payable from any moneys not pledged under this Special Obligation Indenture and available therefor, including Pledged Revenues, whenever moneys are released therefrom, free and clear of any pledge or lien created by this Special Obligation Indenture; or
- (2) the proceeds of a Series of Bonds in the event the University has adopted a Supplemental Indenture authorizing such Series of Bonds and authorized and issued such Notes in anticipation of the issuance of such Series of Bonds; the proceeds of sale of such Series of Bonds may be pledged for the payment of the Principal, redemption premium, if any, and interest on such Notes and any such pledge shall have priority over any other pledge created by this Special Obligation Indenture.

612. **Renewal and Replacement Fund.**

A. The University shall provide from time to time for deposit of amounts into the Renewal and Replacement Fund (which Fund may be combined with other similar renewal and replacement funds of the University including that established under the UConn General Obligation Master Indenture and under the loan agreement with U.S. Department of Education referred to in Section 907 hereof) so that the amounts therein equals the Renewal and Replacement Fund Requirement.

B. The University is hereby authorized to apply the amounts in the Renewal and Replacement Fund to the payment or reimbursement of the extraordinary expenses incurred for the rebuilding, replacement, relocating, repair and restoration of any UConn 2000 Project financed by the University under this Indenture and other facilities forming part of the physical

university plant so to permit the University to operate and maintain the physical university plant in sound operating condition.

Whenever the moneys in the Debt Service Fund are insufficient to pay the interest, principal and Sinking Fund Installments due or to become due in the next seven (7) days on Bonds, the University may transfer from the Renewal and Replacement Fund to the Trustee for deposit in the Debt Service Fund the amount necessary to make up such deficiency. *(amended by the Fifth Supplemental Indenture)*

(C) The University is further authorized and directed to order each disbursement from the Renewal and Replacement Fund upon a certification filed with Trustee, signed by an Authorized Officer of the University. Such certification shall (i) state the requisition number, (ii) specify the project or other facilities financed with such disbursement and the nature of each item or category of cost and certify the same to be correct and proper under this Section and that such item or category of cost has been properly paid or incurred as a cost of the project or other facilities, (iii) if the money in the Renewal and Replacement Fund is proceeds of a tax exempt obligation, then, pursuant to Section 912 hereof, such disbursement is consistent with the covenant of the University respecting tax exempt obligations and any Tax Regulatory Agreement with respect thereto, (iv) certify that none of the items or categories for which the certification is made has formed the basis for any disbursement theretofore made from the Bond Proceeds Fund (v) certify that the payee and amount stated with respect to each item in the certification are correct and that such item is due and owing, and (vi) specify the name and address of the person to whom payment is due or has been made. *(amended by the Fifth Supplemental Indenture)*

613. Debt Service Reserve Fund.

A. The University hereby establishes and creates a fund to be known as the Debt Service Reserve Fund to be held and maintained by the Trustee. Within the Debt Service Reserve Fund, the Trustee shall establish a separate account designated “___ Series ___ Debt Service Reserve Account” (inserting therein the year and letter or other distinguishing designation) for each Series of Bonds for which there is a Debt Service Reserve Account Requirement.

B. The University shall deposit into each account of the Debt Service Reserve Fund (i) such portion of the proceeds of sale of Bonds, if any, as shall be prescribed by the applicable Supplemental Indenture; (ii) any Surety as may be authorized hereby or by the applicable Supplemental Indenture; and (iii) any other moneys which are or may be made available to the University for the purposes of the Debt Service Reserve Fund from any other source or sources.

C. The University may deposit a Surety in any Account of the Debt Service Reserve Fund in lieu of depositing moneys or Investment Obligations therein in order to meet any Debt Service Reserve Account Requirement. The University may deposit a Surety in any Debt Service Reserve Account in substitution for an equal amount of moneys or Investment Obligations then on deposit in any Account of the Debt Service Reserve Fund, provided that any such moneys or Investment Obligations released from any Debt Service Reserve Account shall be deposited to the credit of the Debt Service Account to be applied at the written direction of an Authorized Officer of the University to the redemption of such Series of the particular Series of

Bonds for which such Account was established on the first date on which such Series are subject to redemption, or by the Trustee in the case of an acceleration as a result of a continuing event of default hereunder, provided that no Surety shall be deposited to the Debt Service Reserve Fund if such deposit shall result in the downgrading of the rating of the Bonds by any of the rating agencies referred to in the definition of the term Surety in Section 101 hereof if then rating the Bonds.

D. If on any Interest Payment Date, Principal Payment Date or Redemption Date, for those Bonds secured by the Debt Service Reserve Fund, the amount in the Principal Installment Account, the Redemption Fund or the Interest Account shall be less than the amount required for the pro-rata payment of any Principal Installment, Redemption Price, Swap Payment or interest on the Outstanding Bonds due on such Principal Payment date, Interest Payment Date or Redemption Date and entitled to payment therefrom, the Trustee shall transfer money from the Debt Service Reserve Fund in the amount required for the payment of any Principal Installment, Sinking Fund Installment, Redemption Price, Swap Payment or interest due on such date on Outstanding Bonds secured by the Debt Service Reserve Fund to such deficient Principal Installment Account, the Redemption Fund or the Interest Account and the Trustee shall apply such moneys solely to pay the amounts due in respect of Bonds secured by the Debt Service Reserve Fund.

E. Whenever the amount in the Debt Service Reserve Fund, together with the amount in the Debt Service Fund, is sufficient to fully pay the Principal of or any interest on all Outstanding Bonds supported by the Debt Service Reserve Fund in accordance with their terms (including the Sinking Fund Installments for the retirement thereof), all amount on deposit in the Debt Service Reserve Fund shall be transferred to the appropriate accounts in the Debt Service Fund. Prior to said transfer, all Investment Obligations held in the Debt Service Reserve Fund may be liquidated.

F. Whenever the University shall deliver instructions to the Trustee to redeem Bonds supported by the Debt Service Reserve Fund or the redemption of such Bonds is required by this Special Obligation Indenture (other than by application of Sinking Fund Installments) and such redemption is to be made from amounts then on deposit in any fund or account other than the Debt Service Reserve Fund, the Trustee shall calculate the amount by which the amount on deposit in the Debt Service Reserve Fund will exceed the Debt Service Reserve Fund Requirement immediately following the redemption of the Bonds specified in such instructions (and to be redeemed from such amounts) and such amount shall on the Redemption Date specified in such instructions, be deposited into the Redemption Fund and applied to the redemption of such Bonds. The Trustee shall give notice of the redemption of such Bonds and shall select the particular Bonds supported by the Debt Service Reserve Fund to be so redeemed in such manner as the University shall specify in written instructions or failing such instructions, as the Trustee shall in its discretion deem advisable.

G. The Trustee shall sell or redeem Investment Obligations to the extent necessary to provide money to make any required payment pursuant to this Section 610 and, at the direction of the University, shall sell or redeem Investment Obligations to may any deposit, purchase, payment or redemption as permitted pursuant to this Section 613.

H. Any interest or other income earned by investment of moneys deposited in the Debt Service Reserve Fund under this Special Obligation Indenture shall, forthwith upon receipt thereof, be deposited by the Trustee as Pledged Revenues into the Interest Account of the Debt Service Fund, provided that in the event that the amount held by the Trustee in the Debt Service Reserve Fund on the date such interest or other income is received is less than the Debt Service Reserve Fund Requirement on such date, such interest and other income shall be retained in the Debt Service Reserve Fund to the extent of such deficiency therein, and the balance, if any, shall be deposited as aforesaid.

I. On December 1, of any year if:

- (1) the amount in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, and
- (2) all withdrawals from the Debt Service Reserve Fund provided for in Subsection A of this Section 613 have been made, then, except as otherwise provided by Subsection F of this Section,

the University may direct the Trustee to withdraw the excess from the Debt Service Reserve Fund and deposit the amount so withdrawn into the Rebate Fund if necessary to comply with Section 912 hereof and thereafter, any other Fund under this Special Obligation Indenture.

J. Amounts in the Debt Service Reserve Fund not needed for immediate use or disbursement may, and at the discretion of the University, be invested in Investment Obligations, maturing at such time or times as the University shall determine is appropriate to have accounts available to make payments required to be made therefrom. For the purpose of valuation and pursuant to Section 7(i) of the Act, Investment Obligations shall be valued at amortized cost. *(Section 613 added by the Second Supplemental Indenture)*

ARTICLE VII

Investment of Funds

701. **Investment of Funds and Accounts.** A. Except as otherwise set forth in Section 1401 hereof, the Trustee shall, upon direction of the University in writing signed by an Authorized Officer, deposit moneys or cause moneys to be deposited from any fund or account held by the Trustee, in Investment Obligations, provided, that each such Investment Obligation shall permit the moneys so placed to be available for use at the times provided with respect to the investment or reinvestment of such moneys.

B. Except as otherwise provided for in this Special Obligation Indenture:

Obligations purchased as an investment of moneys in any fund or account held by the Trustee under the provisions of this Special Obligation Indenture shall be deemed at all times to be a part of such fund or account and the income or interest earned, gains realized or losses suffered by a fund or account due to the investment thereof shall be retained in, credited or charged, as the case may be, to such fund or account, provided, however, with respect to all funds or accounts

other than as particularly provided for in Section 610 with respect to the Special Capital Reserve Fund and except during any period in which an “Event of Default” within the meaning of Section 1201 hereof is continuing, any income or interest earned or gains realized by a fund or account due to the investment thereof shall be deposited in or credited to the Interest Account or Principal Account of the Debt Service Fund as directed by an Authorized Officer.

C. Except as otherwise provided in this Special Obligation Indenture, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any obligation purchased by it as an investment pursuant to this Special Obligation Indenture whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall advise the University in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of this Special Obligation Indenture as of the end of the preceding month.

D. The Trustee and University shall not permit the deposit of any moneys with any Depository, other than the Trustee, in an amount exceeding fifteen per centum (15%) of the amount which an officer of such Depository shall certify to the Trustee and University as the combined capital and surplus of such Bond Depository.

702. **Liability of Trustee for Investments.** The Trustee shall not be liable or responsible for the making of any investment decision authorized by the provisions of this Article VII, in the manner provided in this Article VII, or for any loss resulting from any such investment decision. Notwithstanding any other provision to the contrary hereunder, the Trustee shall, however, be liable for the unexplained loss of funds or securities in its custody and its own gross negligence, default or willful misconduct in acting hereunder, and shall in the course of fulfilling its duties and responsibilities hereunder, hold, and subject to the provisions of Section 701 hereof, invest, the moneys and securities in the funds and accounts hereunder with the same care as it uses in respect of its own similar property and in accordance with the standard of care required by law of a fiduciary acting as a trustee.

ARTICLE VIII

The Trustee and the Paying Agents

801. **Appointment and Acceptance of Duties of Trustee.** State Street Bank and Trust Company is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by executing this Special Obligation Indenture.

802. **Appointment and Acceptance of Duties of Paying Agents.** A. The Trustee is hereby appointed as Paying Agent on the Initial Bonds. The University shall appoint one or more Paying Agents for the Bonds of any Series in any Supplemental Indenture authorizing such Bonds or shall appoint such Paying Agent or Paying Agents by resolution of the University adopted prior to the authentication and delivery of such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 812 of this Special Obligation Indenture for the appointment of a successor

Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of Trustee.

B. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Special Obligation Indenture by written instrument of acceptance deposited with the University and the Trustee.

C. The principal corporate trust offices of the Paying Agents are hereby designated as the respective agencies of the University for the payment of the interest on and Principal or Redemption Price of the Bonds, except that interest on all registered Bonds and the Principal and Redemption Price of all registered Bonds shall be payable at the principal corporate trust office of the Trustee.

803. **Indemnity.** The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Special Obligation Indenture, or to enter any appearance in or in any way defend any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all reasonable costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct, gross negligence or bad faith.

804. **Responsibilities of Trustee and Paying Agents.** A. The recitals of fact herein and in the Bonds shall be taken as the statements of the University and neither the Trustee nor any Paying Agent assumes any responsibility for the correctness of the same. Neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Special Obligation Indenture or of any Bonds issued hereunder or in respect of the security afforded by this Special Obligation Indenture, and neither the Trustee nor any Paying Agent shall incur any responsibility in respect thereof. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the University.

B. Neither the Trustee nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Except as otherwise set forth in Section 702 hereof, neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default or unexplained disappearance of funds or securities in its custody. Neither the Trustee nor any Paying Agent shall be under any responsibility or duty with respect to the application of any moneys paid to any one of the others.

C. **Trustee Reports.** Not more than sixty (60) days after the close of each Fiscal Year, the Trustee shall furnish the University statements setting forth (to the extent applicable) in respect to such Fiscal Year, (a) all transactions relating to the receipt, disbursement and application of all moneys received by the Trustee pursuant to the terms of the Indenture, (b) the amount held by the Trustee at the end of such Fiscal Year to the credit of each fund and account provided for in the Indenture, (c) a brief description of all obligations held by the Trustee as an

investment of moneys in any fund or account hereunder as of the end of such Fiscal Year, (d) the principal amount of bonds, notes or other indebtedness purchased by the Trustee during such Fiscal Year from moneys available therefor in any fund or account pursuant to the provisions of this Indenture and the respective purchase price of said bonds, notes or other indebtedness, (e) the principal amount of any redeemed or retired Bonds during such Fiscal Year and the redemption prices thereof, if any, and (f) any other information which the University may reasonably request. Not more than fifteen (15) days after the close of each calendar month the trustee shall furnish to the University an unaudited statement setting forth (to the extent applicable) in respect of such calendar month the information required by the above (a) through (f).

805. Evidence on Which Fiduciaries May Act. A. The Trustee and any Paying Agent shall be protected in acting upon any notice, direction, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee and any Paying Agent may consult with counsel, who may or may not be of counsel to the University, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Special Obligation Indenture in good faith and in accordance therewith.

B. Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Special Obligation Indenture, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively provided and established by a certificate of an Authorized Officer of the University, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Special Obligation Indenture upon the faith thereof, but in its discretion the Trustee or any Paying Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

C. Except as otherwise expressly provided in this Special Obligation Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the University to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the University by an Authorized Officer of the University.

806. Compensation. The University shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Special Obligation Indenture, and shall also pay all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Special Obligation Indenture, and the Trustee and each Paying Agent shall have a lien therefor on any and all moneys at any time held by it hereunder prior to any of the Bonds for which such services have been rendered. The University further agrees to indemnify and save the Trustee and each Paying Agent and their employees, agents, officers, directors and shareholders harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its gross negligence, willful misconduct or default or the unexplained loss of funds or securities in its custody or to any liability arising under Section 702 hereof.

807. **Permitted Acts and Functions.** The Trustee and any Paying Agent may become the Owner of any Bonds, with the same rights it would have were it not such Trustee or Paying Agent. The Trustee and any Paying Agent may act as depository 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 Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Special Obligation Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

808. **Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations created by this Special Obligation Indenture by giving not less than sixty (60) days' written notice to the University and Bondholders, specifying the date when such resignation shall take effect, [by U.S. Mail return receipt requested. Such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed, as provided in Section 810 hereof, in which event such resignation shall take effect immediately on the appointment of such successor; provided that no resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment.

809. **Removal of Trustee.** Subject to the provisions of any Supplemental Indenture granting rights to the provider of any Bond Facility or otherwise:

A. During any period in which no Event of Default shall have occurred or be continuing, the Trustee may be removed for any reason, with or without cause (1) by the University, by written instrument delivered to the Trustee, or (2) by the Holders of at least 25% of the Outstanding Bonds, by written instrument or concurrent instruments in writing signed and acknowledged by such Holders or by their attorneys-in-fact and delivered to the University and the Trustee.

B. During any period in which any Event of Default shall have occurred or be continuing, the Trustee may be removed (1) by the University, with cause, by written instrument delivered to the Trustee, or (2) by the Holders of at least 25% of the Outstanding Bonds, with cause, by written instrument or concurrent written instruments signed and acknowledged by such Holders or by their attorneys-in-fact and delivered to the University and the Trustee. Notwithstanding the foregoing, Holders of at least 25% of the Outstanding Bonds may cancel or overturn any removal of the Trustee undertaken by the University pursuant to this Subsection B by written instrument or concurrent written instruments signed and acknowledged by such Holders or their attorneys-in-fact and delivered to the University and the Trustee prior to the date of removal of the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Special Obligation Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the University or of the Holders of not less than ten percent of the Outstanding Bonds.

C. The removal of the Trustee will not relieve the Trustee of liability for (1) any action or omission to act in breach of its fiduciary duties hereunder that occurred prior to the date of removal, or (2) acting or proceeding in violation of, or failing to act or proceed in accordance

with, any provision of this Special Obligation Indenture with respect to the duties and obligations of the Trustee that occurred prior to the date of removal.

810. Appointment of Successor Trustee. Subject to the provisions of any Supplemental Indenture granting rights to the provided of any Bond Facility or otherwise:

A. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the University covenants and agrees that it will thereupon appoint a successor Trustee. If in the reasonable judgment of the University any such event referred to in the preceding sentence is likely to occur, the University, in its sole discretion and without the request of Holders of Bonds as required in Section 809 hereof, may remove the Trustee and the University covenants and agrees that it will thereupon appoint a successor Trustee. The University shall notify the Bondholders of any such appointment made by it within ninety (90) days after such appointment.

B. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 810 within forty-five (45) days after the Trustee shall have given to the University written notice, as provided in Section 808 hereof, or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

C. Any Trustee appointed under the provisions of this Section 810 in succession to the Trustee shall be a bank or trust company having its principal corporate trust office in the State, and having a capital and surplus aggregating at least One Hundred Million Dollars (\$100,000,000) if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Special Obligation Indenture.

811. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Special Obligation Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the University, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the written request of the University, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Special Obligation Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth and subject to any indemnification rights of the Trustee hereunder. Should any deed, conveyance or instrument in writing from the University be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor

Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the University. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

812. **Merger, Conversion or Consolidation.** Any company into which the Trustee or any Paying Agent 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 or any Paying Agent may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee or Paying Agent upon the execution and filing of notice with the University, provided with respect to the Trustee that such company shall be a bank or trust company organized under the laws of any states of the United States or the District of Columbia or a national banking association and shall have an office for the transaction of its business in the State and shall be authorized by law to perform all the duties imposed upon it by this Special Obligation Indenture.

813. **Resignation or Removal of the Paying Agents and Appointment of Successors and Assigns.** A. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Special Obligation Indenture by giving at least sixty (60) days' written notice to the University and Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the University. Any successor Paying Agent shall be appointed by the University and (subject to the requirements of Section ___ hereof) shall be a bank or trust company organized under the laws of any state of the United States of America or a national banking association, having a capital and surplus aggregating at least Seventy-five Million Dollars (\$75,000,000), and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Special Obligation Indenture.

B. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it to its successor, or if there be no successor then appointed, to the Trustee until such successor be appointed.

814. **Selection by Treasurer.** Wherever in this Special Obligation Indenture provision is made for the University to appoint or remove the Trustee or a Paying Agent, and as a condition precedent thereto, the Treasurer shall select or remove, in consultation with an Authorized Officer of the University, such Trustee or Paying Agent, as the case may be, in accordance with paragraph (5) of Section 4(a) of the Act.

ARTICLE IX

Particular Covenants

The University covenants and agrees with the Holders of the Bonds as follows:

901. **Payment of Bonds.** The University shall duly and punctually pay or cause to be paid, the Principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and

meaning thereof, and shall duly and punctually pay or cause to be paid all Sinking Fund Installments, if any, becoming payable with respect to any Series of Bonds.

902. **Extension of Payment of Bonds.** The University 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 interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under this Special Obligation Indenture to the benefit of this Special Obligation Indenture or to any payment out of any assets of the University or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to this Special Obligation Indenture) held by the Trustee or any Paying Agent, except subject to the prior payment of the Principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the University to issue Refunding Bonds as provided in Section 205 hereof and such issuance shall not be deemed to constitute an extension of maturity of Bonds or the time of payment of any of the claims for interest.

903. **Coverage Covenant.**

“Net Revenue Amount” for the purpose of this section and Section 910 only constitutes that amount of Pledged Revenues with respect to the (i) Residential Life Room Fee, (ii) Board Dining Fee, (iii) the Parking and Transportation Fee and (iv) the Student Apartment Rentals after providing for or paying the reasonable or necessary cost of currently maintaining, repairing, insuring and operating the facilities for which such fees, respectively, are imposed and each which individual amount as a result thereof may be a plus or minus. *(amended by the Second Supplemental Indenture)*

“Gross Revenue Amount” for the purpose of this section and Section 910 only constitutes that amount of Pledged Revenues with respect to the (i) Infrastructure Maintenance Fee and (ii) the General University Fee, (iii) the Student Recreational Center Fee and (iv) the Athletic Stadia FIT Fee prior to any payments, deductions, offsets or provisions, respectively and (v) those Pledged Revenues described in paragraph (2) of the definition thereof. *(amended by the Fifth Supplemental Indenture)*

A. The University will establish, fix, and revise from time to time, prior to and during each Fiscal Year and collect in each Fiscal Year, fees representing Pledged Revenues so that the aggregate sum of each Net Revenue Amount plus each Gross Revenue Amount is equal to no less than the sum of:

- (1) an amount equal to 1.25 times the Debt Service Requirements in such Fiscal Year, and
- (2) together with any amounts on hand and available therefor, an amount equal to the amounts of the Debt Service Expense Requirement in such Fiscal Year not covered in (1) hereof.

904. **Offices for Payment and Registration of Bonds.** The University shall at all times maintain an office or agency in the University where Bonds may be presented for payment. The University may, pursuant to any Supplemental Indenture or pursuant to resolution adopted in accordance with Section 802 hereof, designate an additional Paying Agent or Paying Agents where Bonds of the Series authorized thereby or referred to therein may be presented for payment. The University shall at all times maintain an office or agency in the University where Bonds may be presented for registration, transfer or exchange and the Trustee is hereby appointed as its agent to maintain such office of agency for the registration, transfer or exchange of Bonds.

905. **Pledge of Continuing Disclosure.** The University shall provide all information necessary to comply with those provisions of the Rule pertaining to continuing disclosure, in accordance with the procedures and conditions set forth under Article XV hereof.

906. **Further Assurances.** At any and all times, the University shall, as far as it may be authorized or permitted by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, revenues, receipts and other moneys, securities and funds hereby pledged, or intended so to be, or which the University may become bound to pledge.

907. **Power to Issue Bonds and Make Pledges.** The University is duly authorized pursuant to law to create and issue the Bonds and to adopt this Special Obligation Indenture and to pledge its Pledged Revenues, or other receipts, funds and moneys purported to be pledged by this Special Obligation Indenture in the manner and to the extent provided in this Special Obligation Indenture. The Pledged Revenues, or other receipts, funds and moneys so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, except with respect to certain of the Pledged Revenues for a certain loan from the United States of America, acting by and through the Secretary of the Department of Education (herein and in the loan agreement and mortgage documentation called "ED") executed on April 26, 1994 in the outstanding amount, as of November 1, 1996, of \$1,958,560.94, as the interest of ED may be appear and be valid, binding upon and enforceable against the University, prior to, or except with respect to the Pledged Revenues for certain outstanding general obligation bonds of the State categorized by the State as self liquidating from certain of the Pledged Revenues of the University, of equal rank with, the pledge created by this Special Obligation Indenture, and all corporate action on the part of the University to that end has been duly and validly taken. Pledged Revenues once deposited in and moneys on deposit in the Debt Service Fund, the Debt Service Reserve Fund and Special Capital Reserve Fund are pledged to the Bonds and shall be applied as provided herein and under no circumstances shall be considered as available for the payment of State general obligation bonds referred to herein notwithstanding the parity of Pledged Revenues provisions permitted hereunder. The Bonds and the provisions of this Special Obligation Indenture are and will be the valid and legally enforceable special obligations of the University in accordance with their terms and the terms of this Special Obligation Indenture. The University shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the revenues, or other receipts, funds and moneys pledged under this Special Obligation Indenture and all the rights of the Bondholders under this Special Obligation

Indenture against all claims and demands of all persons whomsoever including defending, preserving and protecting such pledges as statutory liens as set forth in Section 8 of the Act. *(amended by the Second Supplemental Indenture)*

908. **Indebtedness and Liens.** A. After the date hereof the University (i) shall not issue any securities or other evidences of indebtedness secured by a prior pledge of particular revenues, receipts, funds or moneys constituting Pledged Revenues, and (ii) shall not create or cause to be created any lien, pledge, or charge (other than the lien and pledge created or permitted by this Special Obligation Indenture) on the Bond Proceeds Fund, Debt Service Fund, the Redemption Fund, the Debt Service Reserve Fund and the Special Capital Reserve Fund or on other assets of the University. Except as provided in paragraph B or C hereof, the University shall not issue, after the date hereof, any securities or other evidence of indebtedness secured by a parity pledge of the Pledged Revenues, other than Additional Bonds or otherwise permitted with respect to Notes pursuant to the provisions of this Indenture. *(amended by the Second Supplemental Indenture)*

B. Nothing in this Special Obligation Indenture shall prevent the University from issuing indebtedness payable out of, or secured by a pledge, assignment or other encumbrances of, the Pledged Revenues to be derived on and after such date as this Special Obligation Indenture shall be discharged and satisfied as provided in Section 1401 of this Special Obligation Indenture.

C. Nothing in this Special Obligation Indenture shall be construed as precluding further pledging, assigning or encumbering on a parity or subordinated basis, the Pledged Revenues, revenues or other receipts, funds and moneys of the University which are applicable and appropriated by the University for payment to the State on account of debt service on general obligation bonds of the State for University purposes outstanding or, authorized by the State Bond Commission or by a bond act.

909. **Certification as to Special Capital Reserve Fund.** A. The University shall at all times maintain the Special Capital Reserve Fund created and established by Section 602 hereof and do and perform or cause to be done and performed each and every act and thing with respect to the Special Capital Reserve Fund provided to be done or performed by or on behalf of the University or the Trustee or the Paying Agents under the terms and provisions of Article VI hereof or of the Act.

B. In order to better secure the Bonds, which have been issued hereunder as Bonds secured by the Special Capital Reserve Fund, and to make such Bonds more marketable and to maintain in the Special Capital Reserve Fund an amount equal to the Special Capital Reserve Fund Minimum Requirement, and in furtherance of the provisions of the Act, the University shall cause the Chairman of the Board of Trustees of the University annually, on or before the first day of December of each year, to make and deliver to the Secretary of the Office of Policy and Management and Treasurer of the State his certificate stating such sums, if any, as necessary to restore the Special Capital Reserve Fund to the amount equal to the Special Capital Reserve Fund Minimum Requirement and to accompany such certificate with a request that such sums be paid directly to the Trustee for the account of the University for deposit in the Special Capital Reserve Fund. The University shall request all moneys due the University from the State in

accordance with the provisions of Subsection (i) of Section 7 of the Act pursuant to any such certification to be paid directly to the Trustee for deposit and credit to the Special Capital Reserve Fund. Pursuant to the Act, each Investment Obligation acquired as an investment for a Special Capital Reserve Fund shall be valued at amortized cost.

910. **Issuance of Additional Bonds; Execution of Swaps.** A. No Additional Series of Bonds may be authorized and issued under this Special Obligation Indenture unless:

- (1) In the event of Bonds secured by a Special Capital Reserve Fund, the University shall pay into such Special Capital Reserve Fund (i) any moneys appropriated and made available by the State for the purposes of such Fund, (ii) any proceeds of sale of Bonds, to the extent provided herein or in any Supplemental Indenture authorizing the issuance thereof, and (iii) any other moneys which may be made available to the University for such purpose from any other source or sources so that the amount on deposit in such Special Capital Reserve Fund equals the Special Capital Reserve Fund Maximum Requirement. The moneys held in or credited to any Special Capital Reserve Fund established pursuant to the Act, except as provided herein, shall be used solely for the payment of the Principal of Bonds secured by such Special Capital Reserve Fund as the same become due, the purchase of such Bonds, the payment of interest on such Bonds or the payment of any redemption premium required to be paid when such Bonds are redeemed prior to maturity; provided the University may provide that moneys in any such Fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such Fund to less than the Special Capital Reserve Fund Maximum Requirement, except for the purpose of paying such Principal of, redemption premium and interest on such Bonds, secured by such Special Capital Reserve becoming due and for the payment of which other moneys of the University are not available. The University shall not issue any Additional Series of Bonds at any time if the amount of money on deposit in and Investment Obligations credited to the Special Capital Reserve Fund is less than the Special Capital Reserve Fund Maximum Requirement on Outstanding Bonds and the Additional Series of Bonds then to be issued and secured by such Special Capital Reserve Fund, unless the University, at the time of the issuance of such Additional Bonds, shall deposit in such Special Capital Reserve Fund from the proceeds of the Bonds so to be issued, or otherwise, an amount which, together with the amount then in such Special Capital Reserve Fund, will be not less than the Special Capital Reserve Fund Maximum Requirement;
- (2) a certificate signed by an Authorized Officer dated as of the date of authorization of such Series of Bonds shall have been delivered to the Trustee stating (a) that the particular Pledged Revenues estimated to be received as a result of the construction, completion and operation of the Project to be financed with the proceeds of the Additional Series of Bonds, and amounts in funds or accounts or payable thereto as a result of the issuance of such Additional Series of Bonds during the period such Additional Series of Bonds are Outstanding, including Swap Receipts, shall be sufficient to pay as the same become due the estimated, reasonable and necessary Project operating expenses of the University which will

be incurred as a result of the issuance of such Additional Series of Bonds and the use of the proceeds thereof and the estimated Principal Installments of, Swap Payments, if any, and interest on such Additional Bonds; or (b) the Pledged Revenues estimated to be received, and amounts in funds or accounts or payable thereto including Swap Receipts:

- (i) shall be sufficient to pay all estimated Principal Installments of, Swap Payments, if any, and the Interest Requirement on Bonds Outstanding and such Additional Series of Bonds, or
- (ii) together with other moneys received or estimated to be received by the University from, and available or to be made available to the University for the Project to be financed with the proceeds of the Additional Series of Bonds by the State, the United States or some other source all Principal Installments of and the Interest Requirement on Bonds Outstanding and such Additional Series of Bonds; in the event that a certificate is filed with the Trustee in accordance with this subparagraph (ii), it shall be accompanied by a certificate to evidence that such other moneys are or will be made available to the University for the Project;

The estimates referred to in (i) and (ii) shall be made without the inclusion of any moneys that may be received by the University as a result of a future certification pursuant to Section 7(i) of the Act and Section 909 of this Special Obligation Indenture); and

- (3) a certificate signed by an Authorized Officer of the University delivered to the Trustee stating that the sum of Net Revenue Amount and Gross Revenue Amount based on the most recent Audited Financial Statements preceding the date of issuance of such Additional Bonds have been, with respect to the then and any future Fiscal Year, equal to an amount at least 1.25 times the maximum Debt Service Requirement on all Outstanding Bonds plus the expected maximum Debt Service Requirement on the Additional Bonds.

B. No Swap shall be entered into by the University unless, with respect to such Swap, written confirmation affirming the existing ratings on the Bonds is filed thereupon with the Trustee.

911. **UConn 2000 Infrastructure Improvement Program.** A. The University shall with all practical dispatch and in a sound and economical manner consistent in all respects with the Act and with the provisions of this Special Obligation Indenture, use and apply the proceeds of the Bonds for the UConn 2000 Infrastructure Improvement Program and shall do all such acts and things appropriate or necessary to receive and collect Pledged Revenues.

B. The University covenants that it will promptly proceed with the construction of each UConn 2000 Project financed in whole or in part by the issuance of Bonds in conformity

with law and all requirements of the governmental authorities having jurisdiction thereover and that it will complete such construction with all expedition possible.

C. The University covenants that it will at all times maintain, to the extent reasonably obtainable, insurance with respect to each such Project with such variations as shall reasonably be required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required. Any such insurance shall be in the form of policies or contracts for insurance with insurers of good standing, qualified to do business in Connecticut, and shall be payable to the University. The University shall be deemed to be in compliance with this Paragraph C to the extent any Project is covered by the State under a State insurance policy or to the extent the State is a self-insurer on such Project.

912. **Tax Exemption.** In the event Bonds are sold under this Special Obligation Indenture or any Supplemental Indenture hereto as federally tax-exempt bonds, the University covenants that it will not take any action or fail to take any action that would result in loss of the exclusion from federal income taxation pursuant to Section 103(a) of the Code of interest paid on such Bonds.

913. **No Impairment of Rights of Bondholders.** Except to the extent otherwise provided in this Special Obligation Indenture, the University shall not enter into any contract or take any action by which the rights of the Bondholders may be restricted, precluded or otherwise impaired.

914. **Funds and Reports.** The University shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made for its transactions relating to all funds and accounts established by this Special Obligation Indenture which shall at all reasonable times be subject to the inspection of the Holder of an aggregate of not less than five percent (5%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

915. **General.** A. The University shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the University under the provisions of the Act as then in effect and this Special Obligation Indenture in accordance with the terms of such provisions.

B. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution of the State and statutes of the University and this Special Obligation Indenture to exist, to have happened and to have been performed precedent to and in connection with the issuance of such Bonds, shall exist, have happened and have been performed and the issuance of such Bonds, together with all other indebtedness of the University, shall be within every debt and other limit prescribed by the laws of said University.

916. **Pledge of State to Bondholders.** Pursuant to the Act, the University, as agent for the State, includes the following pledge and undertaking for the State, in this Special Obligation Indenture and in the Bonds issued hereunder:

The State covenants with the holders of any securities issued under the Act, in consideration of the acceptance of and payment for the securities, until the securities, together with the interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any action or proceeding on behalf of the owners, are fully met and discharged or unless expressly permitted or otherwise authorized by the terms of each contract and agreement made or entered into by or on behalf of the University with or for the benefit of such owners, that the State: (1) will not create or cause to be created any lien or charge on the assets or revenues pledged to secure such securities, other than a lien or pledge created thereon pursuant to the Act; (2) will not in any way impair the rights, exemptions or remedies of the owners; and (3) will not limit, modify, rescind, repeal or otherwise alter the rights or obligations of the University to take such action as may be necessary to fulfill the terms of the resolution authorizing the issuance of the securities; provided nothing in the Act shall preclude the State from exercising the power, through a change in law, to limit, modify, rescind, repeal or otherwise alter the Act if and when adequate provision shall be made by law for the protection of the holders of outstanding securities, pursuant to the resolution or indenture under which the securities are issued.

ARTICLE X

Supplemental Indenture

1001. **Modification and Amendment Without Consent.** The University may, at any time or from time to time enter into Supplemental Indenture without consent of the Bondholders, the provider of either a Bond Facility, or a Swap Facility or Swap Provider for any one or more of the following purposes:

- (1) to provide for the issuance of a Series of Bonds or Notes or Swaps pursuant to the provisions of this Special Obligation Indenture and to prescribe the terms and conditions pursuant to which such Bonds or Notes or Swaps may be issued, paid or redeemed;
- (2) to add additional covenants and agreements of the University for the purpose of further securing the payment of the Bonds or Notes or Swaps, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the University contained in this Special Obligation Indenture;
- (3) to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the University which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;
- (4) to surrender any right, power or privilege reserved to or conferred upon the University by the terms of this Special Obligation Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the University contained in this Special Obligation Indenture;

- (5) to confirm as further assurance any pledge under this Special Obligation Indenture subject to any lien, claim or pledge created or to be created by the provisions of this Special Obligation Indenture, of the moneys, securities or funds;
- (6) to modify any of the provisions of this Special Obligation Indenture or any previously adopted Supplemental Indenture in any other respects, provided that such modifications shall not be effective until after all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Indenture shall cease to be Outstanding, and all Bonds issued under such indenture shall contain a specific reference to the modifications contained in such subsequent indenture;
- (7) to cure any ambiguity, or defect or inconsistent provision in this Special Obligation Indenture or to insert such provisions clarifying matters or questions arising under this Special Obligation Indenture as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Special Obligation Indenture as theretofore in effect;
- (8) consistent with Section 912 hereof, to ensure the exclusion of interest on the Bonds from gross income of the Bondholders for federal income tax purposes;
- (9) to grant or to confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted or conferred and which are not contrary to or inconsistent with this Special Obligation Indenture as therefore in effect; or
- (10) to grant such rights and remedies and make such other covenants subject to this Special Obligation Indenture (including any prior Supplemental Indenture) as may be necessary for issuance of a Bond Facility, a Swap or a Swap Facility so long as such rights, remedies and covenants are not contrary to or inconsistent with this Special Obligation Indenture as theretofore in effect.

1002. Amendments and Supplemental Indenture Effective With Consent of Bondholders. Subject to the provisions of any Supplemental Indenture granting rights to the provider of any Bond Insurer or otherwise, the provisions of this Special Obligation Indenture may also be modified or amended, at any time or from time to time, by any Supplemental Indenture, subject to the consent of Bondholders in accordance with and subject to the provisions of Article XI hereof, to become effective upon the execution thereof by the University and the Trustee, and the filing with the Trustee of a copy thereof certified by an Authorized Officer of the University.

1003. General Provisions Relating to Supplemental Indenture. A. This Indenture shall not be modified or amended in any respect, whether pursuant to Section 204 of this Special Obligation Indenture or otherwise, except in accordance with and subject to the provisions of this Article X and Article XI hereof. Nothing contained in this Article X or in Article XI hereof shall affect or limit the rights or obligations of the University to adopt, make, do, execute or deliver

any resolution, act or other instrument pursuant to the provisions of Section 906 of this Special Obligation Indenture or the right or obligation of the University to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Special Obligation Indenture provided or permitted to be delivered to the Trustee or any Paying Agent.

B. A copy of every Supplemental Indenture entered into by the University and the Trustee when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully entered into in accordance with the provisions of this Special Obligation Indenture, is authorized or permitted by this Special Obligation Indenture and is valid and binding upon the University and enforceable in accordance with its terms.

C. The Trustee is hereby authorized to enter into any Supplemental Indenture and to accept delivery of a certified copy of any Supplemental Indenture permitted or authorized pursuant to the provisions of this Special Obligation Indenture and to make all further agreements and stipulations which may be contained therein, and, in taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such Supplemental Indenture is authorized or permitted by the provisions of this Special Obligation Indenture.

ARTICLE XI

Amendments of Indenture

1101. **Powers of Amendment.** A. Any modification or amendment of this Special Obligation Indenture and of the rights and obligations of the University and of the Holders of the Bonds hereunder, in any particular, may be made by any Supplemental Indenture, with the written consent given as hereinafter provided in Section 1102 of this Special Obligation Indenture, of the Holders of not less than 66 2/3% in principal amount of the Outstanding Bonds of each Series affected by such amendment or amendments or Supplemental Indenture or Indenture; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be outstanding for the purpose of any calculation of Outstanding Bonds under this Section 1101.

B. No such modification or amendment shall permit (1) a change in the terms of redemption or maturity of the Principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon or in the terms and conditions of the Special Capital Reserve Fund respecting Bonds supported by such Fund without the consent of the Holder of such Bond, or (2) shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Special Obligation Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series.

C. The Trustee may in its discretion determine whether or not, in accordance with the foregoing provisions, Bonds of any particular Series or maturity would be affected by any modification or amendment of this Special Obligation Indenture and any such determination shall be binding and conclusive on the University and all Holders of Bonds. The Trustee may receive an opinion of counsel, including Counsel's Opinion, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of this Special Obligation Indenture.

1102. Consent of Bondholders. A. The University and the Trustee may at any time enter into any Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1101 hereof to take effect when and as provided in this Section 1102. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee) together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall promptly after adoption be mailed by the University to Bondholders and be published at least once a week for two (2) successive weeks (but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as hereinafter in this Section provided).

B. Such Supplemental Indenture shall not be effective unless and until (1) there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 1101 hereof, and (b) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully entered into by the University and the Trustee and filed by the University in accordance with the provisions of this Special Obligation Indenture, is authorized or permitted by this Special Obligation Indenture, and is valid and binding upon the University and enforceable in accordance with its terms, and (2) a notice shall have been published as hereinafter in this Section 1102 provided.

C. Each such consent shall be effective only if accompanied by proof of the holding at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1301 of this Special Obligation Indenture. A certificate or certificates by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 1301 hereof shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 1301 hereof to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof).

D. At any time after the Holders of the required percentages of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the University and the Trustee a written statement that the Holders of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed.

E. At any time thereafter notice, stating in substance that such Supplemental Indenture (which may be referred to as any Supplemental Indenture entered into by the University and the Trustee on a stated date, a copy of which is on file with the Trustee) has been

consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 1102, shall be given to Bondholders by the University by mailing such notice to Bondholders not more than ninety (90) days after the Holders of the required percentages of Bonds shall have filed their consents to such Supplemental Indenture and the written statement of the Trustee hereinabove provided for is filed (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section 1102). A transcript, consisting of the papers required or permitted by this Section 1102 to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the University, the Trustee, each Paying Agent and the Holders of all Bonds at the expiration of thirty (30) days after the filing with the Trustee of the transcript except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such thirty (30) day period; provided, however, that the University, the Trustee and any Paying Agent during such thirty (30) day period and any such further period during which any such action or proceeding may be pending shall be entitled in their reasonable discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

1103. Modifications by Unanimous Consent. The terms and provisions of this Special Obligation Indenture and the rights and obligations of the University and of the Holders of the Bonds hereunder may be modified or amended in any respect upon the execution by the University and the Trustee of any Supplemental Indenture and filing with the Trustee by the University of a copy of such Supplemental Indenture certified by an Authorized Officer of the University and the consent of the Holders of all of the Outstanding Bonds, such consent to be given as provided in Section 1102 hereof, except that no notice to Bondholders either by mailing or publication shall be required.

1104. Mailing and Publication. A. Any provision in this Article XI for the mailing of a notice or other document to Bondholders shall be fully complied with if it is mailed postage prepaid only (1) to each registered Owner of Outstanding Bonds at his address, if any, appearing upon the registry books of the University, and (2) to the Trustee.

B. Any provision in this Article XI for publication of a notice or other matter shall require written notification by U.S. Mail return receipt requested.

1105. Exclusion of Bonds. Bonds owned or held by or for the account of the University shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Special Obligation Indenture, and the University shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Special Obligation Indenture. At the time of any consent or other action taken under this Special Obligation Indenture, the University shall furnish the Trustee a certificate of an Authorized Officer of the University, upon which the Trustee may rely, describing all Bonds so to be excluded.

1106. Notation on Bonds. Bonds delivered after the effective date of any action taken as in Article X or this Article XI provided may, and if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the University and the Trustee as to

such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and upon presentation of his Bond for such purpose at the principal corporate trust office of the Trustee suitable notation shall be made on such Bond by the Trustee as to any such action. If the University or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the University to conform to such action shall be prepared and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same Series and maturity then Outstanding, upon surrender of such Bonds.

1107. **Consent of Bond Facility Provider.** For purposes of this Article XI, but only so long as the Bond Facility provider has not defaulted on its obligations under the Bond Facility, the provider of a Bond Facility shall be considered the sole Holder of all Bonds to which such Bond Facility relates, except as otherwise provided in an applicable Supplemental Indenture.

ARTICLE XII

Defaults and Remedies

1201. **Events of Default.** Each of the following events is hereby declared an “Event of Default” if:

- (1) the University shall default in the payment of the Principal of or Redemption Price, if any, or interest on any Bond after the same shall become due, whether at maturity or upon call for redemption or otherwise;
- (2) With respect to Bonds secured by the Special Capital Reserve Fund, the University shall fail or refuse to comply with the provisions of Section 909 of this Special Obligation Indenture, or such amounts as shall be certified by the Chairman of the Board of Trustees of the University to the Secretary of the Office of Policy and Management and Treasurer of the State pursuant to such provisions of the Act shall not be allotted and paid from the State general fund to the University for deposit therein and such allotment and payment is not made prior to the second day succeeding the final adjournment of (1) the session of the General Assembly of the State convening when such certification shall have been made or, if the General Assembly is not then in session, (2) the first session of the General Assembly of the State convening after such certification shall have been made; or
- (3) Except as provided in (1) and (2) above, the University shall fail or refuse to comply with the provisions of this Special Obligation Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in any Supplemental Indenture or in any Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by the Trustee or the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds.

1202. **Remedies.** Subject to the provisions of any Supplemental Indenture granting rights to the provider of any Bond Facility or otherwise:

A. Upon the happening and continuance of any Event of Default specified in Subsections (1) and (2) of Section 1201 hereof, the Trustee shall proceed or, upon the happening and continuance of any Event of Default specified in Subsection (3) of Section 1201 hereof, the Trustee may proceed and, upon the written request of the Holders of not less than twenty-five per centum (25%) in principal amount of the Outstanding Bonds, or in the Event of Default arising from the failure of the University to duly and punctually perform the covenant contained in Section 912 hereof which results in the interest on the Bonds of the Series to which such covenant applies being no longer excluded from gross income under Section 103(a) of the Code, twenty-five per centum (25%) in principal amount of the Outstanding Bonds of such Series affected thereby, shall proceed, in its own name, subject to the provisions of Section 804 hereof, to protect and enforce the rights of the Bondholders by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

- (1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the University to receive and collect revenues, including Pledged Revenues adequate to carry out the covenants and agreements as to, and the pledge of, such Pledged Revenues and to require the University to carry out any other covenants or agreements with Bondholders and to perform its duties under the Act;
- (2) by bringing suit upon the Bonds;
- (3) by action or suit in equity, to require the University to account as if it were the trustee of any express trust for the Holders of the Bonds; and
- (4) by action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds.

B. In the enforcement of any rights and remedies under this Special Obligation Indenture, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the University for Principal, Redemption Price, interest or otherwise, under any provision of this Special Obligation Indenture or any Supplemental Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce a judgment or decree against the University for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

C. All remedies conferred upon or reserved to the Holders of Bonds hereunder may also be conferred upon and reserved to the provider of a related Bond Facility, a Swap Provider or the provider of a Swap Facility authorized by any Supplemental Indenture and may be

cumulative as provided in Section 1208 hereof. Nothing herein shall preclude the University from providing in an applicable Supplemental Indenture or in any Bond Facility, any Swap or any related Swap Facility authorized thereby, that the exercise of any remedy hereunder or the waiver of any Event of Default hereunder by the Trustee or the Holder of any such Bond shall be subject to the prior written consent of the provider of any related Bond Facility, any Swap Provider or the provider of a related Swap Facility. Such Supplemental Indenture or related Bond Facility, any Swap Provider or the provider of a related Swap Facility may provide that any and all notices required to be given under this Article XII by the University or the Trustee to the Holder of any Bond shall also be given to the provider of any related Bond Facility, any Swap Provider or the provider of a related Swap Facility.

1203. Priority of Payments After Default. A. In the event that the funds held by the Trustee and Paying Agents shall be insufficient for the payment of interest and Principal or Redemption Price then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to the Act and this Article XII, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under this Special Obligation Indenture, shall be applied as follows:

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

Second -- To the payment to the persons entitled thereto of the unpaid Principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of Principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

Third -- To the payment to other persons entitled to payment hereunder or under any applicable Supplemental Indenture.

B. Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 1203, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the University, to any Bondholder or to any other person for any delay in applying any such moneys, so long as

the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Special Obligation Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date. Unless otherwise required by the book-entry system for the Bonds, the Trustee shall not be required to make payment to the Holder of any unpaid interest or any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

1204. **Termination of Proceedings.** In case any proceeding undertaken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the University, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been undertaken.

1205. **Bondholders' Direction of Proceedings.** Anything in this Special Obligation Indenture to the contrary notwithstanding, except for Subsection C of Section 1202, the Holders of the majority in principal amount of the Bonds 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 to be taken by the Trustee hereunder, provided that such direction shall not be otherwise that in accordance with law or the provisions of this Special Obligation Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

1206. **Limitation on Rights of Bondholders.** A. No Holder of any Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, or for the protection or enforcement of any right under this Special Obligation Indenture or any right under law unless such Holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Holders of not less than twenty-five per centum (25%) in principal amount of the Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there shall have been afforded to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Special Obligation Indenture or for any other remedy hereunder or under law. It is understood and intended that no one or more Holders of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Special Obligation Indenture, or to enforce any right hereunder or under law with respect to the Bonds, except in the manner herein provided, and that

all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds. Nothing in this Article XII contained shall affect or impair the right of any Bondholder to enforce the payment of the Principal of and interest on his Bonds, or the obligation of the University to pay the Principal of and interest on each Bond issued hereunder to the Holder thereof at the time and place expressed in said Bond.

B. Anything to the contrary notwithstanding contained in this Section 1206, or any other provision of this Special Obligation Indenture, each Holder of any Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Special Obligation Indenture or any Supplemental Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Subsection B shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding at least twenty-five per centum (25%) in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholder for the enforcement of the payment of the Principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

1207. **Possession of Bonds by Trustee Not Required.** All rights of action under this Special Obligation Indenture or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof on the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Holders of such Bonds subject to the provisions of this Special Obligation Indenture.

1208. **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

1209. **No Waiver of Default.** No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Special Obligation Indenture to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

1210. **Notice of Event of Default.** The Trustee shall give to the Bondholders notice of each Event of Default hereunder known to an officer in the Corporate Trust Administration Department of the Trustee within ninety (90) days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the Principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the

Debt Service Reserve Fund or the Special Capital Reserve Fund, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondholders. Each such notice of Event of Default shall be given by the Trustee by mailing written notice thereof (1) to all registered Holders of Bonds, as the names and addresses of such Holders appear upon the books for registration and transfer of Bonds except by the Trustee, (2) to such Bondholders as have filed their names and addresses with the Trustee for that purpose, and (3) to such other persons as is required by law. *(amended by the Second Supplemental Indenture)*

ARTICLE XIII

Execution of Instruments by Bondholders and Proofs of Ownership of Bonds

1301. **Evidence of Signatures of Bondholders and Ownership of Bonds.** A. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Special Obligation Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent shall be sufficient for any purpose of this Special Obligation Indenture (except as otherwise herein provided), if made in the following manner:

- (1) the fact and date of the execution by any Bondholder or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by delivery of a certificate of an officer of any bank or trust company, financial institution or other member of the National Association of Securities Dealers Inc., or of any notary public, or other officer authorized to take acknowledgements. The signature on such certificate must be guaranteed by an eligible institution which is a member of one of the following recognized signature guarantee programs: (1) The Securities Transfer Agents Medallion Program (STAMP), (2) The New York Stock Exchange Medallion Signature Program (MSP), or (3) The Stock Exchange Medallion Program (SEMP). Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership such certificate shall also constitute sufficient proof of his authority; and
- (2) the ownership of registered Bonds shall be proved by the registry books kept by the Trustee under the provisions of this Special Obligation Indenture.

B. Nothing contained in this Article XIII shall be construed as limiting the Trustee to such proof, it being intended that the Trustee with the advice of counsel may accept any other evidence of the matters herein stated which may seem sufficient. Any request or consent of the Holder of any Bond shall bind every future Holder of the same Bond in respect of anything done or suffered to be done by the University, the Trustee or any Paying Agent in pursuance of such request or consent.

ARTICLE XIV

Defeasance

1401. **Defeasance.** A. If the University shall pay or cause to be paid to the Holders of all Bonds then Outstanding, the Principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in this Special Obligation Indenture, then, at the option of the University, expressed in an instrument in writing signed by an Authorized Officer of the University and delivered to the Trustee, the covenants, agreements and other obligations of the University to the Bondholders shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the University, execute and deliver to the University all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the University all moneys, securities and funds held by them pursuant to this Special Obligation Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

B. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Fiduciaries (through deposit by the University of funds for such payment or redemption or otherwise) at the maturity or Redemption Date thereof shall be deemed to have been paid within the meaning and with effect expressed in Subsection A of this Section 1401. Any Outstanding Bonds of any Series shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in Subsection A of this Section 1401 if, (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, the University shall have given to the Trustee in form satisfactory to it irrevocable instructions to give notice of redemption as provided in Article IV of this Special Obligation Indenture on said date of such Bonds, (2) there shall have been deposited with the Trustee either (a) moneys in an amount which shall be sufficient, (b) non-callable direct obligations of the United States of America or non-callable obligations the principal of or interest on which is fully and unconditionally guaranteed by the United States of America as to timely payment of principal or interest, as the case may be, provided that such obligations shall consist of only such amounts so guaranteed, or (c) certificates that evidence ownership of the right to payments of principal or interest on obligations described in clause (b), provided that such obligations shall be held in trust by the Trustee or a bank or trust company or national banking association meeting the requirements for a successor Trustee under Section 810 hereof, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee, or other bank or trust company, at the same time, shall be sufficient, to pay, when due, the Principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be, and (3) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the University shall have given the Trustee in form satisfactory to it irrevocable instructions to notify the Holders of such Bonds, as soon as practicable, that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 1401 and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Principal or Redemption Price, if applicable, on said Bonds. Non-callable direct obligations of the United States of America or non-callable obligations the principal of or interest on which is fully and unconditionally guaranteed by the United States of America as to timely payment of

principal or interest, as the case may be, provided that such obligations shall consist of only such amounts so guaranteed, qualified certificates evidencing ownership of the right to payments of principal or interest on such obligations, moneys deposited with the Trustee pursuant to this Section 1401 and principal or interest payments on any such securities shall be held in trust for the payment of the Principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such direct obligations of the United States of America deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in non-callable direct obligations of the United States of America maturing at times and in amounts sufficient to pay when due the Principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the University, as received by the Trustee, free and clear of any trust, lien or pledge.

C. Anything in this Special Obligation Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for three years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the University, be repaid by the Fiduciary to the University, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the University for the payment of such Bonds provided, however, that before being required to make any such payment to the University, the Fiduciary shall deliver to Bondholders a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the University.

ARTICLE XV

Continuing Disclosure Undertaking

1501. **Purpose.** Article XV shall constitute the written undertaking for the benefit of the Holders of the Bonds required by Section (b)(5)(i) of the Rule and authorized by Public Act No. 95-270, and shall apply to all Bonds of the University under this Special Obligation Indenture. Notwithstanding the above, for purposes of Bonds issued on or after March 1, 2018, this Article XV is deleted.

1502. **Submission of Annual Financial Information Statements.** A. The University shall, while any Bonds are Outstanding, provide to the Trustee, when completed, Annual Financial Information with respect to each Fiscal Year of the University beginning on or after January 1, 1997, which Annual Financial Information is expected to be completed within 184 days of the end of such Fiscal Year (the "Submission Date"). Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time. The University shall include with each such submission of Annual Financial Information a written representation addressed to the Trustee to the effect that the Annual Financial

Information so submitted is the Annual Financial Information required pursuant to Section 1502, and that such Annual Financial Information complies with the applicable requirements of Article XV. The Trustee shall provide to each NRMSIR and the SID, if any, such Annual Financial Information on or before four (4) Business Days following the Submission Date (the "Report Date") while any Bonds are Outstanding or, if not received by the Trustee by the Submission Date, then within three (3) Business Days of its receipt by the Trustee.

B. It shall be sufficient if the University provides to the Trustee and the Trustee provides to each NRMSIR and the SID, if any, the Annual Financial Information by specific reference to documents previously provided to each NRMSIR and the SID, if any, or filed with the Securities and Exchange Commission and, if such a document is an Official Statement, available from the MSRB.

C. For purposes of the Annual Financial Information required to be submitted by or on behalf of the State, as an obligated person with respect to the Bonds within the meaning of the Rule, reference is made to the Annual Financial Information submitted or to be submitted by or on behalf of the State to the MSRB, each NRMSIR or the SID, if any, as the case may be, as part of the State's written undertaking to comply with the requirements of paragraph (b)(5) of the Rule. If any such Annual Financial Information are submitted as part of a final official statement within the meaning of the Rule, then such document shall be available from the MSRB.

1503. Submission of Audited Financial Statements. A. The University shall submit to the Trustee by the Submission Date Audited Financial Statements for each Fiscal Year beginning on or after January 1, ____, when and if available while any Bonds are Outstanding, whether as part of the Annual Financial Information or separately, which Audited Financial Statements the Trustee shall then provide to each NRMSIR and the SID, if any, by the Report Date. If Audited Financial Statements for any Fiscal Year are not so provided to the Trustee by the Submission Date, the University shall provide to the Trustee (1) by the Submission Date, Unaudited Financial Statements for such Fiscal Year as part of the Annual Financial Information required to be delivered pursuant to Section 1502 hereof, and (2) when available, Audited Financial Statements for such Fiscal Year, which Audited Financial Statements the Trustee shall provide to each NRMSIR and the SID, if any, within three (3) Business Days of its receipt thereof.

B. For purposes of the Audited Financial Statements required to be submitted by or on behalf of the State, as an obligated person with respect to the Bonds within the meaning of the Rule, reference is made to the Audited Financial Statements submitted or to be submitted by or on behalf of the State to the MSRB, each NRMSIR or the SID, if any, as the case may be, as part of the State's written undertaking to comply with the requirements of paragraph (b)(5) of the Rule. If any such Audited Financial Statements are submitted as part of a final official statement within the meaning of the Rule, then such document shall be available from the MSRB.

1504. Listed Event Notices. A. If a Listed Event occurs while any Bonds are Outstanding, the University shall provide a Listed Event Notice to the Trustee in a timely manner, and the Trustee shall promptly provide to the SID, if any, and either to the MSRB or each NRMSIR, such Listed Event Notice. Each Listed Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the applicable Bonds.

B. The Trustee shall promptly advise the University whenever, in the course of performing its duties as Trustee under this Special Obligation Indenture, the Trustee identifies an occurrence which, if material, would require the University to provide a Listed Event Notice under Section 1504; provided, however, that the failure of the Trustee so to advise the University shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Special Obligation Indenture.

1505. Notification by Trustee of Failure by the University to File Annual Financial Information. A. The University shall, while any Bonds are Outstanding, provide, in a timely manner, notice of any failure of the University to provide the Annual Financial Information by the date specified in Subsection A of Section 1502 hereof to the Trustee. Upon receipt of such notice, the Trustee shall provide, in a timely manner, notice of such failure of the University to provide the Annual Financial Information by such date to the SID, if any, and either to the MSRB or each NRMSIR.

B. The Trustee shall, while any Bonds are Outstanding and without further direction or instruction from the University, provide in a timely manner to the SID, if any, and either to the MSRB or each NRMSIR, notice of any failure to provide to each NRMSIR and such SID, if any, Annual Financial Information on or before the Report Date (whether caused by failure of the University to provide such information to the Trustee by the Submission Date or for any other reason). For the purposes of determining whether information received from the University is Annual Financial Information, the Trustee shall be entitled conclusively to rely on the University's written representation made pursuant to Subsection A of Section 1502 hereof.

1506. Additional Information. A. Nothing in Article XV shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in Article XV or any other means of communication, or including any such other information in any Annual Financial Information or Listed Event Notice, in addition to that required hereby. If the University should so disseminate or include any such additional information, the University shall have no obligation under this Article XV to update, provide or include such additional information in any future materials disseminated pursuant to this Article XV or otherwise.

B. If the University provides to the Trustee additional information as described in Subsection A of this Section, and such additional information is not included in any Annual Financial Information or Listed Event Notice, the University may direct the Trustee to provide such additional information to information repositories, upon which direction the Trustee shall provide such additional information in a timely manner to the SID, if any, and either to the MSRB or each NRMSIR.

1507. Reference to Other Documents. It shall be sufficient for purposes of Section 1502 hereof if the University provides Annual Financial Information by specific reference to documents previously (1) provided to each NRMSIR existing at the time of such reference and the SID, if any, or (2) filed with the SEC. If such a document is an Official Statement, it also must be available from the MSRB.

1508. **Disclaimer by the University.** The University shall be under no obligation to the Holders, the Trustee or any other party to review or otherwise pass upon the Annual Financial Information or the Audited Financial Statements provided or to be provided by or on behalf of the State as part of the State's written continuing disclosure undertaking pursuant to paragraph (b)(5) of the Rule, and the University's obligations hereunder shall be limited solely to the undertakings set forth in this Article XV. The University shall be under no obligation to review, pass upon, update, provide or include or continue to include in its Official Statement any additional information provided by or on behalf of the State to the MSRB, each NRMSIR or the SID, if any, other than that information required to be submitted as part of the State's undertaking pursuant to paragraph (b)(5) of the Rule.

1509. **Transmission of Information and Notices.** Unless otherwise required by law and, in the University's sole determination, subject to technical and economic feasibility, the University and the Trustee shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the information and notices required to be delivered pursuant to the provisions of this Article XV.

1510. **Change in Fiscal Year, Submission Date and Report Date.** The University may adjust the Submission Date and the Report Date if the University changes its Fiscal Year by providing written notice of such change in Fiscal Year and the new Submission Date and Report Date to the Trustee, which written notice the Trustee shall then promptly deliver to each NRMSIR and the SID, if any; provided, however, that the new Submission Date shall be no more than 184 days after the end of such new Fiscal Year and the new Report Date shall be no more than four (4) Business Days following the new submission Report Date, and provided further that the period between the final Report Date relating to the former Fiscal Year and the initial Report Date relating to the new Fiscal Year shall not exceed one year in duration.

1511. **Termination.** A. The University's and the Trustee's obligations under this Article XV shall terminate immediately once the Bonds are no longer Outstanding.

B. This Article XV, or any provision hereof, shall be null and void in the event that the University delivers to the Trustee a Counsel's Opinion, addressed to the University and the Trustee, to the effect that those portions of the Rule which require the provisions of Article XV, or any of such provisions, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion. The Trustee shall, upon receipt of such opinion, promptly provide copies thereof to each NRMSIR and the SID, if any.

C. The obligations of the University relating to the State as an obligated person with respect to the Bonds within the meaning of the Rule may be terminated if the State is no longer an "obligated person" as defined in the Rule. Such termination shall be effective upon the provision of notice by the University to the Trustee, upon receipt of which the Trustee shall promptly forward such notice to the SID, if any, and to the MSRB or each NRMSIR.

1512. **Amendment.** A. This Article XV may be amended, by written agreement of the parties, without the consent of the Holders of the Bonds (except to the extent required under clause (3)(b) below), if all of the following conditions are satisfied: (1) such amendment is made

in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the University or the type of business conducted thereby; (2) this Article XV, as so amended would have complied with the requirements of the Rule as of the date of this Special Obligation Indenture, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (3) either (a) the University shall have delivered to the Trustee a Counsel's Opinion, addressed to the University and the Trustee, which opinion states that the amendment does not materially impair the interests of the Holders of the Bonds, or (b) the Holders of the Bonds consent to the amendment to this Article XV pursuant to the same procedures as are required for amendments to this Special Obligation Indenture with consent of Holders of Bonds pursuant to Article XI of this Special Obligation Indenture as in effect on the date of this Special Obligation Indenture. In the event the University delivers to the Trustee a Counsel's Opinion pursuant to Subsection (3)(a) of this Subsection A, the Trustee shall promptly deliver copies of such opinion and amendment to each NRMSIR and the SID, if any.

B. In addition to Subsection A above, this Article XV may be amended and any provision of Article XV may be waived, by written agreement of the parties, without the consent of the Holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Special Obligation Indenture which is applicable to this Article XV and (2) the University shall have delivered to the Trustee a Counsel's Opinion, addressed to the University and the Trustee, to the effect that performance by the University and Trustee under this Article XV as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule. Upon receipt by the Trustee of such opinion, the Trustee shall promptly deliver copies of such opinion and amendment to each NRMSIR and the SID, if any.

C. In the event of any amendment respecting the type of operating data or financial information contained in the University's Annual Financial Information, the University shall, in accordance with the Rule or any interpretation thereof by the SEC, provide in the first Annual Financial Information provided thereafter a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

D. In the event of any amendment specifying the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. In the event of any such change in accounting principles, the University shall deliver notice of such change in a timely manner to the Trustee, upon receipt of which the Trustee shall promptly deliver such notice to the SID, if any, and either to the MSRB or each NRMSIR.

1513. **Benefit; Third-Party Beneficiaries; Enforcement.** A. The provisions of this Article XV shall inure solely to the benefit of the Holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries under this Article XV.

B. Except as provided in this Subsection B, the provisions of this Article XV shall create no rights in any person or entity. The obligations of the University to comply with the provisions of this Article XV shall be enforceable (1) in the case of enforcement of obligations to provide Audited Financial Statements, Annual Financial Information, operating data and notices, by any Holder of Outstanding Bonds, or by the Trustee on behalf of the Holders of Outstanding Bonds, or (2), in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the Holders of Outstanding Bonds; provided, however, that the Trustee shall not be required to take any enforcement action except at the direction of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding who shall have provided the Trustee with adequate security and indemnity. The Holders' and Trustee's rights to enforce the provisions of this Article XV shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the University's obligations under this Article XV. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to Subsection A of this Section, beneficial owners shall be deemed to be Holders of Bonds for purposes of this Subsection B. Without limiting the generality of the foregoing and except as otherwise provided in this Special Obligation Indenture with respect to the Trustee, neither the commencement nor the successful completion of an action to compel performance under this Article XV shall entitle the Trustee or any other person to attorney's fees, financial damages of any sort or any other relief other than an order or injunction compelling performance.

C. Any failure by the University or the Trustee to perform in accordance with this Article XV shall not constitute a default or an Event of Default under this Special Obligation Indenture, and the rights and remedies provided by this Special Obligation Indenture upon the occurrence of a default or an Event of Default shall not apply to any such failure.

D. This Article XV shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Article XV shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Article XV addresses matters of federal securities laws, including the Rule, this Article XV shall be construed in accordance with such federal securities laws and official interpretations thereof.

1514. **Duties, Immunities and Liabilities of Trustee.** The Trustee shall have only such duties under this Article XV as are specifically set forth herein, and the University agrees to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties under this Article XV, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct in the performance of its duties under this Article XV. Such indemnity shall be separate from and in addition to that provided to the Trustee under this Special Obligation Indenture. The obligations of the University under this Section 1514 shall survive resignation or removal of the Trustee and payment of the Bonds.

1515. **Duties, Immunities and Liabilities of Officials.** Pursuant to Public Act No. 95-270, the University shall protect and save harmless any official or former official of the University from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence on the part of such official, while acting in the discharge of his official duties, in providing secondary market disclosure information pursuant to this Article XV or performing any other duties set forth herein. Nothing in this Article XV shall be construed to preclude the defense of governmental immunity to any such claim, demand or suit. For purposes of this Section 1515, “official” means any person elected or appointed to be a director of or an person employed by the University. The University may insure against liability imposed by this Section 1515 in any insurance company organized in the State or in any insurance company of another state authorized to write such insurance in the State or may elect to act as self-insurer of such liability. This Section 1515 shall not apply to cases of willful and wanton fraud.

ARTICLE XVI

Miscellaneous

1601. **Preservation and Inspection of Documents.** All documents received by the Trustee or any Paying Agent under the provisions of this Special Obligation Indenture or any Supplemental Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the University, the Trustee or any Paying Agent and after written request received by the Trustee at least five (5) Business Days prior to the date of inspection, by any Holder of Outstanding Bonds and their agents and representatives, any of whom may make copies thereof.

1602. **Notice.** Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, return receipt requested, postage prepaid, or sent by telegram, addressed as follows: if to the University, at Gulley Hall, Box U-122, 352 Mansfield Road, Storrs, Connecticut 06269, Attention: Vice President for Business Affairs and Finance; and if to the Trustee, at Corporate Trust Administration, P.O. Box 230177, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103. A duplicate copy of any notice received by the Trustee shall be sent by first-class mail to each Holder of registered Bonds at its last known address as shown on the registration books maintained by the Trustee. Either Notice Party may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

1603. **Parties of Interest.** Nothing in this Special Obligation Indenture or in any Supplemental Indenture adopted pursuant to the provisions hereof, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or party other than the University, Trustee, Paying Agents, any provider of a Bond Facility, a Swap Provider or the provider of a related Swap Facility and the Holders of the Bonds pertaining thereto any rights, remedies or claims under or by reason of this Special Obligation Indenture or any Supplemental Indenture or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in this Special Obligation Indenture and any Supplemental Indenture contained by or on behalf of the University shall be for the sole and exclusive benefit of the University, Trustee and Paying Agents and the Holders from time to time of the Bonds.

1604. **No Recourse Under Indenture or on Bonds.** All covenants, stipulations, promises, agreements and obligations of the University contained in this Special Obligation Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the University and not of any member, officer or employee of the University in his individual capacity, and no recourse shall be had for the payment of the Principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Special Obligation Indenture against any member, officer or employee of the University or any natural person executing the Bonds, Notes, a Swap, a Swap Facility or a Bond Facility.

1605. **Severability.** If any one or more of the covenants, stipulations, promises, agreements or obligations provided in this Special Obligation Indenture on the part of the University, Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, agreement or agreements, obligation or obligations shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, agreements and obligations herein contained and shall in no way affect the validity of the other provisions of this Special Obligation Indenture.

1606. **Headings.** Any headings preceding the texts of the several Articles and Sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Special Obligation Indenture, nor shall they affect its meaning, construction or effect.

1607. **Law and Place of Enforcement.** This Indenture shall be construed and governed in accordance with the laws of the State and all suits and actions arising out of this Special Obligation Indenture or on the Bonds shall be instituted in the Superior Court of Hartford - New Britain.

1608. **Conflict.** All resolutions or parts of resolutions or other proceedings of the University in conflict herewith be and the same are repealed insofar as such conflict exists.

1609. **Effective Date.** This Indenture shall take effect as of the date hereof.

1610. **Counterparts.** This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the University has caused this Special Obligation Indenture to be signed by its President, and sealed the same with its seal attested by an Authorized Officer; and the Trustee, for itself, its successor or assigns, has caused this Special Obligation Indenture to be signed and sealed by its duly Authorized Officer and has, by its execution hereof, signified its acceptance of the trust hereby created and imposed as of this 1st day of January, 1997.

UNIVERSITY OF CONNECTICUT

By: _____

(SEAL)

ATTEST:

By: _____
Name:
Title:

Trustee

(SEAL)

By: _____
Name:
Title:

ATTEST:

By: _____