

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 16, 2024

NEW ISSUE – Book-Entry Only

RATINGS:
Fitch: A (stable)
S&P: A (stable)
(See “RATINGS” herein)

In the opinion of Co-Bond Counsel, interest on the Series 2024B Bonds (as defined herein) is excludable from gross income for purposes of federal income tax, under existing laws as of the date of initial delivery of the Series 2024B Bonds and assuming continuing compliance with the requirements of federal tax law. Interest on the Series 2024B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Series 2024C Bonds is not excludable from gross income for federal income tax purposes. Co-Bond Counsel is also of the opinion that interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, under the laws of the Commonwealth of Pennsylvania, as presently enacted and construed on the date of initial delivery of the Bonds. See “TAX MATTERS” herein.



\$1,103,075,000*
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Thomas Jefferson University

\$635,425,000*
Fixed Rate Revenue Bonds
Series 2024B-1

Consisting of:
\$300,000,000*
Fixed Rate Revenue Bonds
Series 2024B-2

\$167,650,000*
Taxable Fixed Rate Revenue Bonds
Series 2024C

Dated: Date of Delivery

Due: As set forth on inside cover

This Official Statement relates to the issuance by the Pennsylvania Higher Educational Facilities Authority (the “Authority”) of its Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 (the “Series 2024B-1 Bonds”), Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2 (the “Series 2024B-2 Bonds”) and together with the Series 2024B-1 Bonds, the “Series 2024B Bonds”) and Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C (the “Series 2024C Bonds”) and together with the Series 2024B Bonds, the “Bonds”). Capitalized terms not defined on this cover page are defined within the Official Statement.

The Bonds will be issued in fully registered form in denominations of \$5,000 and any integral multiple thereof and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. References herein to registered owners of the Bonds shall mean Cede & Co. and shall not mean the actual purchasers of the Bonds. See “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds will bear interest at the interest rates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable on March 1 and September 1 commencing on March 1, 2025 (each an “Interest Payment Date”), to the registered owner of record as of the close of business on the fifteenth day of the month immediately preceding such Interest Payment Date.

The Bonds will be issued under separate Bond Indentures (as defined herein). The principal or Redemption Price of and interest on the Series Bonds will be payable solely from, and will be secured by, Loan Repayments and other Revenues to be received by the Authority under separate Loan Agreements (as defined herein), each between the Authority and Thomas Jefferson University, a Pennsylvania nonprofit corporation (“TJU”), and any other amounts held in the funds and accounts established under the Bond Indentures (other than the Respective Rebate Fund and the Bond Purchase Fund). Each Loan Agreement will be secured by payments to be made by TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group, pursuant to a separate note (collectively, the “Master Notes”). The Master Notes relating to the Series 2024B-1 Bonds and the Series 2024C Bonds will be issued under and pursuant to a Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement), dated as of November 1, 2024 (the “Fourth Supplemental Master Indenture”); and the Master Note relating to the Series 2024B-2 Bonds will be issued pursuant to the Fifth Supplement to Amended and Restated Master Trust Indenture (Security Agreement), dated as of December 1, 2024 (the “Fifth Supplemental Master Indenture”), each supplementing the Amended and Restated Master Trust Indenture (Security Agreement), dated as of February 1, 2022, as previously amended and supplemented and as it may hereafter be amended, supplemented or modified from time to time (the “Master Indenture”) each by The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trustee”) and each of the Members of the Obligated Group (as described herein). The Master Notes will be equally and ratably secured by the pledge of Gross Revenues with all Outstanding Obligations and any additional Obligations issued under the Master Indenture as described herein. See “SECURITY AND SOURCES OF PAYMENT” herein.

The Bonds are being issued as fixed rate bonds in the Fixed Mode for the Initial Fixed Period (hereinafter sometimes referred to as the “Fixed Bonds”). The Bonds of a series may be converted to operate and bear interest in a different Interest Rate Mode or in a new Fixed Period as provided in the applicable Bond Indenture. This Official Statement summarizes the Bonds in the Initial Fixed Period while the Bonds bear interest at the Fixed Rates set forth on the inside cover hereof. During the period in which the Bonds are subject to optional redemption, TJU may elect to convert the Bonds of a series to a different Interest Rate Mode or to a new Fixed Period. If TJU elects to convert the Bonds of a series to a different Interest Rate Mode or to a new Fixed Period, such Bonds will be subject to mandatory tender for purchase on the Conversion Date, and a new reoffering circular or supplement to this Official Statement or other disclosure document will be prepared if such Bonds are publicly offered in connection with any such Conversion.

Simultaneously with or shortly after the issuance of the Bonds, the Authority will issue its (i) Thomas Jefferson University Variable Rate Revenue Bonds, Series 2024D-1 through Series D-4 in the aggregate principal amount of \$424,845,000* (collectively, the “Series 2024D Bonds”), with each series of Series 2024D Bonds to be secured by an irrevocable direct pay letter of credit issued by a commercial bank, and (ii) Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024E in the principal amount of \$137,825,000* (the “Series 2024E Bonds”) and, together with the Series 2024D Bonds, the “Other Series 2024 Bonds”). **The Other Series 2024 Bonds are not being offered pursuant to this Official Statement.**

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIPS
(See Inside Cover)

The Bonds are subject to optional, sinking fund and extraordinary redemption and purchase in lieu of redemption prior to maturity as described herein. The Bonds are subject to mandatory tender for purchase upon Conversion to a new Interest Rate Period on or after any date the Bonds are subject to optional redemption.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND THE INTEREST ON SUCH BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURES AND THE BONDS. NEITHER THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT PROVIDED IN THE BOND INDENTURES AND THE BONDS) SHALL BE OBLIGATED TO PAY THE BONDS OR THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST THEREON EXCEPT FROM REVENUES (AS DEFINED IN THE BOND INDENTURES) AND CERTAIN OTHER MONEYS PLEDGED UNDER THE BOND INDENTURES, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY OR THE FAITH AND CREDIT OR THE TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO, OR AVAILABLE FOR THE PAYMENT OF THE BONDS, AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

See “BONDHOLDERS’ RISKS” for certain factors that should be considered by prospective purchasers of the Bonds.

This cover page contains certain information for quick reference only. It is not a summary of the Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Authority and received by the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and to the approval of legality of the Bonds by Ballard Spahr LLP, Philadelphia, Pennsylvania, Andre C. Dasset, P.C., Philadelphia, Pennsylvania, and John A. Schwab, Esquire, Pittsburgh, Pennsylvania, Co-Bond Counsel. Certain legal matters will be passed on for Jefferson by the Office of University Counsel and Ballard Spahr LLP, Philadelphia, Pennsylvania, in its capacity as counsel, including Disclosure Counsel, to TJU; for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania; and for the Underwriters by their counsel, Hawkins Delafeld & Wood LLP, New York, New York. It is expected that the Series 2024B-1 Bonds and Series 2024C Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about November __, 2024 and the Series 2024B-2 Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about December __, 2024.

BofA Securities **J.P. Morgan** **PNC Capital Markets LLC** **Siebert Williams Shank & Co., LLC**

The date of this Official Statement is October __, 2024.

* Preliminary, subject to change.

\$1,103,075,000*
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Thomas Jefferson University

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIPS†

\$635,425,000*
Fixed Rate Revenue Bonds
Series 2024B-1

Due September 1,	Principal Amount	Interest Rate	Yield	Price	CUSIP†
\$		%	%		

\$ _____ % Term Bond, Due September 1, 20____, Yield _____%, Price _____, CUSIP _____†
 \$ _____ % Term Bond, Due September 1, 20____, Yield _____%, Price _____, CUSIP _____†

\$300,000,000*
Fixed Rate Revenue Bonds
Series 2024B-2

Due September 1,	Principal Amount	Interest Rate	Yield	Price	CUSIP†
\$		%	%		

\$ _____ % Term Bond, Due September 1, 20____, Yield _____%, Price _____, CUSIP _____†
 \$ _____ % Term Bond, Due September 1, 20____, Yield _____%, Price _____, CUSIP _____†

\$167,650,000*
Taxable Fixed Rate Revenue Bonds
Series 2024C

Due September 1,	Principal Amount	Interest Rate	Yield	Price	CUSIP†
\$		%	%		

\$ _____ % Term Bond, Due September 1, 20____, Yield _____%, Price _____, CUSIP _____†
 \$ _____ % Term Bond, Due September 1, 20____, Yield _____%, Price _____, CUSIP _____†

* Preliminary, subject to change.

† The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Authority, the Obligated Group or the Underwriters, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and none of the Authority, the Obligated Group or the Underwriters makes any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized by the Authority, the Underwriters or the Obligated Group to give any information or to make any representations with respect to the Bonds, other than those in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the Obligated Group, DTC and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness and, except for the information concerning the Authority, it is not to be construed as a representation by the Authority.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or the Obligated Group since the date of this Official Statement.

If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such forward-looking statements speak only as of the date of this Official Statement. The Authority and the Obligated Group disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Authority’s or the Obligated Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The Bonds are not and will not be registered under the Securities Act of 1933, as amended, or under any state securities laws, and neither the Bond Indentures nor the Master Indenture have been and or will be qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. Neither the Securities and Exchange Commission nor any federal, state, municipal or other governmental agency will pass upon the accuracy, completeness or adequacy of this Official Statement. In making an investment decision, investors must rely on their own examination of the Authority, the Obligated Group and the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

**INFORMATION CONCERNING OFFERING RESTRICTIONS OF THE SERIES 2024C BONDS
IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES**

ANY REFERENCES IN THIS OFFICIAL STATEMENT TO THE “AUTHORITY” MEAN THE PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY AND REFERENCES TO “SERIES 2024C BONDS” OR “SECURITIES” MEAN THE SERIES 2024C BONDS OFFERED HEREBY. **NEITHER THE AUTHORITY NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

MINIMUM UNIT SALES

THE SERIES 2024C BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE SERIES 2024C BOND OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 SERIES 2024C BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”) OR THE
UNITED KINGDOM**

THE SERIES 2024C BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SERIES 2024C BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2024C BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE SERIES 2024C BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (“EUWA”); (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE SERIES 2024C BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2024C BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SERIES 2024C BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE

PROSPECTUS REGULATION OR SECTION 86 OF THE FSMA (IN EACH CASE AS APPLICABLE) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SERIES 2024C BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE SERIES 2024C BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE AUTHORITY OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE AUTHORITY NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SERIES 2024C BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SERIES 2024C BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE SERIES 2024C BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SERIES 2024C BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SERIES 2024C BONDS OR SUBSCRIBE FOR THE SERIES 2024C BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE SERIES 2024C BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION AND IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THE AUTHORITY AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS NOT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR A SOLICITATION TO PURCHASE OR INVEST IN THE SERIES 2024C BONDS. THE SERIES 2024C BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (“FINSA”) AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE SERIES 2024C BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2024C BONDS

CONSTITUTES A PROSPECTUS PURSUANT TO (I) THE FINSA OR (II) THE LISTING RULES OF THE SIX SWISS EXCHANGE AG OR ANY OTHER REGULATED TRADING VENUE IN SWITZERLAND AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2024C BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. THIS OFFICIAL STATEMENT WILL NOT BE REVIEWED NOR APPROVED BY A REVIEWING BODY FOR PROSPECTUSES (*PRÜFSTELLE*).

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE AUTHORITY OR THE SERIES 2024C BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE OFFER OF THE SERIES 2024C BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY (“FINMA”), AND THE OFFER OF SERIES 2024C BONDS HAS NOT BEEN AND WILL NOT BE AUTHORIZED UNDER THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”). ACCORDINGLY, INVESTORS DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE INVESTMENT ADVICE. IT MAY ONLY BE USED BY THOSE PERSONS TO WHOM IT HAS BEEN HANDED OUT IN CONNECTION WITH THE SERIES 2024C BONDS AND MAY NEITHER BE COPIED NOR DIRECTLY OR INDIRECTLY DISTRIBUTED OR MADE AVAILABLE TO OTHER PERSONS.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE SERIES 2024C BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN OR WILL NOT BE REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32) OF HONG KONG (“C(WUMP)O”)) IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CAP. 571) OF HONG KONG (“SFO”).

ACCORDINGLY: (I) THE SERIES 2024C BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT, OTHER THAN (A) TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO, OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O; AND (II) NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SERIES 2024C BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO SERIES 2024C BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO “PROFESSIONAL INVESTORS” AS DEFINED IN THE SFO AND ANY RULES MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE SERIES 2024C BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE SERIES 2024C BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF

JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE SERIES 2024C BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE SERIES 2024C BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIS”) IN RELIANCE ON THE QIIS-ONLY PRIVATE PLACEMENT EXEMPTION AS SET FORTH IN ITEM 2(I), PARAGRAPH 3, ARTICLE 2 OF THE FIEA. A QII WHO PURCHASED OR OTHERWISE OBTAINED THE SERIES 2024C BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE SERIES 2024C BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE SERIES 2024C BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS, AND THE SERIES 2024C BONDS MAY NOT BE OFFERED, ISSUED OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE SERIES 2024C BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY, TO THE EXTENT PERMITTED UNDER APPLICABLE LAWS AND REGULATIONS. ANY SUBSCRIPTIONS OF SERIES 2024C BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE AUTHORITY OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE AUTHORITY OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE SERIES 2024C BONDS SIGNED BY THE INVESTORS.

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OFFICIAL STATEMENT

Relating to

\$1,103,075,000*

**PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Thomas Jefferson University**

\$635,425,000*	consisting of:	\$167,650,000*
Fixed Rate Revenue Bonds	\$300,000,000*	Fixed Rate Revenue Bonds
Series 2024B-1	Series 2024B-2	Taxable Fixed Rate Revenue Bonds
		Series 2024C

INTRODUCTORY STATEMENT

This introduction is qualified in its entirety by the more detailed information appearing elsewhere in this Official Statement and in the Appendices hereto.

General

This Official Statement, including the cover page and the appendices attached hereto, sets forth certain information concerning the Pennsylvania Higher Educational Facilities Authority (the “Authority”) and its \$1,103,075,000* aggregate principal amount of Thomas Jefferson University Fixed Rate Revenue Bonds, consisting of \$635,425,000* Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 (the “Series 2024B-1 Bonds”), \$300,000,000* Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2 (the “Series 2024B-2 Bonds”) and, together with the Series 2024B-1 Bonds, the “Series 2024B Bonds”) and \$167,650,000* Taxable Fixed Rate Revenue Bonds, Series 2024C (the “Series 2024C Bonds” and, together with the Series 2024B Bonds, the “Bonds”). The Series 2024B-1 Bonds will be issued under a Series 2024B-1 Trust Indenture, dated as of November 1, 2024 (the “Series 2024B-1 Bond Indenture”), the Series 2024B-2 Bonds will be issued under a Series 2024B-2 Trust Indenture, dated as of December 1, 2024 (the “Series 2024B-2 Bond Indenture”) and the Series 2024C Bonds will be issued under a Series 2024C Trust Indenture, dated as of November 1, 2024 (the “Series 2024C Bond Indenture” and, collectively with the Series 2024B-1 Bond Indenture and the Series 2024B-2 Bond Indenture, the “Bond Indentures”), each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”). Proceeds of the Series 2024B-1 Bonds will be loaned to Thomas Jefferson University, a Pennsylvania nonprofit corporation (“TJU”), pursuant to a Series 2024B-1 Loan Agreement, dated as of November 1, 2024 (the “Series 2024B-1 Loan Agreement”), proceeds of the Series 2024B-2 Bonds will be loaned by the Authority to TJU pursuant to a Series 2024B-2 Loan Agreement, dated as of December 1, 2024 (the “Series 2024B-2 Loan Agreement”) and proceeds of the Series 2024C Bonds will be loaned by the Authority to TJU pursuant to a Series 2024C Loan Agreement, dated as of November 1, 2024 (the “Series 2024C Loan Agreement” and, collectively with the Series 2024B-1 Loan Agreement and the Series 2024B-2 Loan Agreement, the “Loan Agreements”), the terms of which will require payment by TJU which, together with other monies available for such purposes, if any, will be sufficient to provide for the timely payment of the principal or Redemption Price of, and interest on each series of the Bonds.

The Authority is a body corporate and politic organized and existing under the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”). See “THE AUTHORITY” herein. The Authority is authorized and empowered to issue the Bonds pursuant to the Act, a resolution of the Authority adopted on September 19, 2024, and the Bond Indentures.

TJU is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). For purposes of this Official Statement, the term “Jefferson” is used to refer collectively to TJU, the other Members of Combined Group and all of their controlled Affiliates, and the term “System” is used to refer to TJU and any other Person whose financial results are set forth in the consolidated audited financial statements of TJU. See “INFORMATION ABOUT JEFFERSON” herein.

* Preliminary, subject to change.

All capitalized terms used but not defined herein shall have the meanings given to them in APPENDIX C – “PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS” or APPENDIX D – “THE MASTER INDENTURE” hereto.

The Bonds

The Bonds will be dated the date of their initial delivery and will bear interest from such date at the rates and will mature, subject to prior redemption, on the dates set forth on the inside front cover page of this Official Statement. For the Initial Fixed Period, interest on the Bonds will be payable on each March 1 and September 1, commencing on March 1, 2025. See “THE BONDS” herein.

As security for the Series 2024B-1 Bonds, TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee the Thomas Jefferson University Obligated Group Master Note (PHEFA-TJU Series 2024B-1 Bonds), Obligation No. 54 (the “2024B-1 Master Note”). As security for the Series 2024B-2 Bonds, TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee the Thomas Jefferson University Obligated Group Master Note (PHEFA-TJU Series 2024B-2 Bonds), Obligation No. 75 (the “2024B-2 Master Note”). As security for the Series 2024C Bonds, TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee the Thomas Jefferson University Obligated Group Master Note (PHEFA-TJU Series 2024C Bonds), Obligation No. 55 (the “2024C Master Note” and, collectively with the Series 2024B-1 Master Note and the Series 2024B-2 Master Note, the “Master Notes”) in an aggregate principal amount equal to the principal amounts thereof, respectively. The 2024B-1 Master Note and the 2024C Master Note will be issued pursuant to a Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement), dated as of November 1, 2024 (the “Fourth Supplemental Master Indenture”) and the 2024B-2 Master Note will be issued pursuant to a Fifth Supplement to Amended and Restated Master Trust Indenture (Security Agreement), dated as of December 1, 2024 (the “Fifth Supplemental Master Indenture” and, together with the Fourth Supplemental Master Indenture, the “Supplemental Master Indentures”), each by and between the Combined Group Agent (as defined herein) and The Bank of New York Mellon Trust Company, N.A., as master trustee (the “Master Trustee”). Each of the Supplemental Master Indentures will supplement the Amended and Restated Master Trust Indenture (Security Agreement), dated as of February 1, 2022, as previously amended and supplemented and as it may hereafter be amended, supplemented or modified from time to time (the “Master Indenture”), by and among the Members of the Obligated Group (as defined herein) and the Master Trustee. A copy of the Master Indenture is included as APPENDIX D.

The Series 2024D Bonds and the Series 2024E Bonds

Simultaneously with or shortly after the issuance of the Bonds, it is expected that the Authority will issue its Thomas Jefferson University Variable Rate Revenue Bonds, Series 2024D in multiple subseries as variable rate revenue bonds in the aggregate principal amount of \$424,845,000* (collectively, the “Series 2024D Bonds”), each subseries of which is to be secured by an irrevocable direct pay letter of credit issued by a commercial bank, and its Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024E in the aggregate principal amount of \$137,825,000* (the “Series 2024E Bonds” and, together with the Series 2024D Bonds, the “Other Series 2024 Bonds”). The Other Series 2024 Bonds will be issued under and secured by separate trust indentures and the Authority will lend the proceeds of the Other Series 2024 Bonds to TJU pursuant to separate loan agreements. Payment of the Other Series 2024 Bonds will be the joint and several obligations of the Obligated Group as evidenced and secured by separate master notes issued pursuant to the Fourth Supplemental Master Indenture. The Series 2024E Bonds will be a direct private placement without an offering document. See “PLAN OF FINANCING” herein for a description of the use of proceeds of the Other Series 2024 Bonds. **The Other Series 2024 Bonds are not being offered pursuant to this Official Statement.**

Use of Proceeds

The proceeds to be received by the Authority from the sale of the Bonds will be paid to the Bond Trustee on behalf of TJU and applied to finance a portion of the costs of a project consisting of:

* Preliminary, subject to change.

(a) construction, improvement and equipping of certain educational health care facilities of TJU and its affiliates located in Pennsylvania as described under the caption “INTRODUCTION – The 2024 Project” in APPENDIX A hereto;

(b) the payment of (or the reimbursement to TJU for) the costs of the acquisition by TJU of its sole corporate membership interest in Lehigh Valley Health Network, Inc. (“LVHN”) related to the payment or defeasance of all or a portion of indebtedness previously issued for the benefit of LVHN, including but not limited to the following:

(i) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series A of 2015 issued in the original aggregate principal amount of \$75,000,000;

(ii) Lehigh County General Purpose Authority Hospital Revenue Refunding Bonds (Lehigh Valley Health Network), Series A of 2016 issued in the original aggregate principal amount of \$139,275,000;

(iii) City of Pottsville Hospital Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series B of 2016 issued in the original aggregate principal amount of \$53,255,000;

(iv) Monroe County Hospital Authority Hospital Revenue Bonds (Pocono Medical Center), Series of 2016 issued in the original aggregate principal amount of \$58,320,000;

(v) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network) Series A of 2019 issued in the original aggregate principal amount of \$418,120,000; and Hospital Revenue Bonds (Lehigh Valley Health Network) Series B of 2019 issued in the original aggregate principal amount of \$148,120,000;

(vi) Northampton County General Purpose Authority Hospital Revenue Bonds, Series 2020 (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of up to \$90,000,000;

(vii) Carbon County Hospital Authority Hospital Revenue Bonds, Series 2022B (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of up to \$42,500,000; and

(viii) Certain commercial bank loans and credit facilities from various commercial lenders; and

(c) to fund the current refunding or purchase (for extinguishment) of all or a portion of indebtedness previously issued for the benefit of TJU, including but not limited to the following:

(i) Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2015A issued in the original aggregate principal amount of \$301,805,000; Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015E issued in the original aggregate principal amount of \$35,125,000; Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015F issued in the original aggregate principal amount of \$34,875,000; and Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015H (Taxable) issued in the original aggregate principal amount of \$29,050,000;

(ii) Thomas Jefferson University Taxable Revenue Bonds, Series 2022A issued in the original aggregate principal amount of \$590,155,000; and

(iii) Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2024A issued in the original aggregate principal amount of \$315,055,000.

The bonds to be refunded with proceeds of the Bonds are referred to herein as the “Refunded Bonds”).

See “PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS.”

Security and Sources of Payment for the Bonds

Bond Indentures and Loan Agreements. The Bonds of each series are limited obligations of the Authority payable solely from the sources identified in the applicable Bond Indenture pursuant to which such series of bonds is issued, including Revenues (as defined in the applicable Bond Indentures), which consists generally of all amounts payable to the Bond Trustee with respect to the principal of, premium, if any, and interest on the Bonds under the applicable Loan Agreement by TJU and investment income with respect to certain funds held by the Bond Trustee under the applicable Bond Indenture, and amounts payable by the Obligated Group under the Master Notes issued with respect to the Bonds, as applicable.

Pursuant to each Loan Agreement, TJU agrees to make payments at such times and in such amounts as necessary to provide for the payment of the principal of, premium, if any, and interest on the applicable Bonds. The obligation of TJU under each Loan Agreement is a general obligation of TJU, the full faith and credit of which is pledged to the payment of all such sums due thereunder.

In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Authority has assigned to the Bond Trustee under each Bond Indenture, and granted a security interest in: (i) all of its right, title and interest in, to and under the applicable Loan Agreement, and all payments received or receivable by the Authority from TJU under such Loan Agreement (excluding the Authority's rights to payment of its fees and expenses, to indemnification and as otherwise expressly set forth in such Loan Agreement), (ii) all of the right, title and interest of the Authority in each Master Note with respect to the applicable Bond Indenture and issued by TJU, as Combined Group Agent on behalf of the Obligated Group, and all payments, revenues and receipts receivables by the Authority thereunder except as provided therein, and (iii) all of the right, title and interest of the Authority in and to all Funds and Accounts established under each Bond Indenture (except for the respective Rebate Fund and the Bond Purchase Fund) and all moneys and investments held therein and all present and future Revenues within the meaning of each Bond Indenture.

See "SECURITY AND SOURCES OF PAYMENT" herein for a more detailed discussion of the Trust Estates under the Bond Indentures, the Bond Trustee's rights under the Bond Indentures, the Master Trustee's rights under the Master Indenture and the obligations of the Obligated Group under the Master Indenture. See also "APPENDIX C – PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS" and "APPENDIX D – THE MASTER INDENTURE" attached hereto for certain provisions and definitions contained therein.

Master Indenture. Under and pursuant to the Master Indenture, the Obligated Group Members are jointly and severally liable for the payment of the Obligations (as defined in the Master Indenture) of the Obligated Group and have agreed to comply with certain financial and operational covenants contained therein. See generally "SECURITY AND SOURCES OF PAYMENT — Master Indenture" herein and "APPENDIX D — THE MASTER INDENTURE" attached hereto. The Combined Group Agent, on behalf of all of the Obligated Group Members, will issue to the Bond Trustee the Master Notes as additional Obligations to secure TJU's payment obligations under the Loan Agreements, as applicable.

The Master Indenture contains the covenants and grant of security of the Obligated Group, including the Gross Revenues pledge of all of the Members of the Obligated Group, including TJU, to secure existing and future debt and the payment obligations of the Obligated Group. The Obligated Group's obligations under each Master Note will be secured on a parity basis equally and ratably with all other outstanding Obligations (other than Subordinated Obligations) and Parity Indebtedness (as such terms are defined in the Master Indenture) heretofore or hereafter issued or incurred in accordance with the Master Indenture.

For a description of the outstanding Obligations and Parity Indebtedness of the Obligated Group, see "OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP" herein, including the information under the sub-section captioned "Existing Obligations" and the table under the sub-section captioned "Estimated Debt Service Requirements" thereunder. See "SECURITY AND SOURCES OF PAYMENT — Certain Covenants of the Obligated Group under the Master Indenture — Gross Revenues Pledge" herein for a further description of the Gross Revenue pledge by the Obligated Group pursuant to the Master Indenture.

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY, ARE SECURED UNDER THE PROVISIONS OF THE BOND INDENTURES AND ARE PAYABLE SOLELY FROM THE SOURCES

REFERRED TO IN THE BOND INDENTURES AND DESCRIBED HEREIN. NEITHER THE FAITH AND CREDIT OF THE AUTHORITY OR THE FAITH AND CREDIT OR THE TAXING POWER OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS, NOR SHALL THE BONDS BE DEEMED TO BE GENERAL OBLIGATIONS OF THE AUTHORITY OR OBLIGATIONS OF THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL THE COMMONWEALTH OF PENNSYLVANIA OR ANY POLITICAL SUBDIVISION THEREOF BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

The Combined Group: Obligated Group and Designated Affiliates

As of the date of the delivery of the Bonds, each of TJU, Jefferson Health Corporation (as successor to Albert Einstein Healthcare Network), Thomas Jefferson University Hospitals, Inc., Jefferson University Physicians, Abington Health Foundation, Abington Memorial Hospital, Lansdale Hospital, Jefferson Health – Northeast, Philadelphia University, Kennedy Health Facilities, Inc., Kennedy University Hospital, Inc., Kennedy Medical Group Practice, P.C., The Magee Memorial Hospital for Convalescents, Albert Einstein Medical Center, Einstein Community Health Associates, Inc., Einstein Medical Center Montgomery, Einstein Practice Plan, Inc., Fornance Physician Services, Montgomery Hospital, Montgomery Health Foundation, Lehigh Valley Health Network, Inc., Lehigh Valley Hospital, Inc., Lehigh Valley Hospital – Hazleton, Lehigh Valley Hospital – Schuylkill and Lehigh Valley Hospital - Pocono (collectively, the “Obligated Group,” the “Obligated Group Members,” or “Members of the Obligated Group,” and, individually, a “Member”) are the entities obligated to make payments on the Master Notes.

In addition, the Master Indenture permits the Combined Group Agent to designate Persons as Designated Affiliates. The Combined Group Agent shall designate a Member of the Obligated Group as the Controlling Member of such Designated Affiliate, provided that such Member of the Obligated Group shall either (a) maintain, directly or indirectly, control of such Designated Affiliate, including the power to direct the management, policies, disposition of assets and actions of such Designated Affiliate to the extent required to cause such Designated Affiliate to comply with the terms and conditions of the Master Indenture, whether through the ownership of voting securities, by contract, partnership interests, membership, reserved powers, or the power to appoint members, trustees or directors or otherwise, or (b) to the extent required, execute and have in effect such contracts or other agreements that the Combined Group Agent or Controlling Member, in its sole judgment, deems sufficient for it to cause such Designated Affiliate to comply with the terms and conditions of the Master Indenture.

Designated Affiliates are not obligated to make any debt service payments on any Obligations including the Master Notes. The obligations of the Obligated Group Members to pay or cause to be paid the principal of and premium, if any, and interest on the Master Notes will not be secured by the Gross Revenues of any Designated Affiliate. The Combined Group Agent has covenanted in the Master Indenture to cause each Controlling Member to cause each of its Designated Affiliates (subject to legal, regulatory, contractual and organizational limitations) to pay, loan or otherwise transfer, in accordance with the Master Indenture, such amounts as are necessary to duly and punctually pay the principal of, premium, if any, and interest on all Outstanding Obligations and any other payments due under any Obligation, on the dates, at the times and at the places and in the manner provided in such Obligations, the applicable Supplemental Indenture and the Master Indenture, when and as the same become payable, whether at maturity, upon call for redemption, by acceleration of maturity or otherwise.

Pursuant to the Master Indenture, the Combined Group Agent may at any time declare that a Designated Affiliate is no longer a Designated Affiliate under the Master Indenture; provided, however that no Person shall cease to be a Designated Affiliate if any Outstanding Related Bonds have been issued for the benefit of such Person until there is delivered to the Master Trustee an opinion of Bond Counsel to the effect that, under then existing law, the cessation by such Person of its status as a Designated Affiliate will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Related Bond would otherwise be entitled. Under the Master Indenture, the Combined Group is comprised of all of the Obligated Group Members and any Designated Affiliates.

As of the date of issuance and delivery of the Bonds, the Combined Group will consist of the Obligated Group together with Health Partners Plans, Inc., Jefferson Medical Group, Lehigh Valley Physician Group, Schuylkill Health System Medical Group, Inc., Family Care Centers, Inc. and Hazleton Professional Services as Designated Affiliates,

for whom TJU is the Controlling Member. There can be no assurances that Health Partners Plans, Inc., Jefferson Medical Group, Lehigh Valley Physician Group, Schuylkill Health System Medical Group, Inc., Family Care Centers, Inc. or Hazleton Professional Services, which are designated as Designated Affiliates on the date of delivery of the Bonds, will continue to be so designated.

For the fiscal year ended June 30, 2024 (assuming Jefferson, as currently constituted including LVHN, existed during such period), the Members of the Obligated Group together constituted approximately 78.0% of the unaudited consolidated pro forma Jefferson revenues and approximately 85.7% of the unaudited consolidated pro forma Jefferson assets. The Combined Group comprised approximately 97.9% of the unaudited consolidated pro forma Jefferson revenues and approximately 95.2% of the unaudited consolidated pro forma Jefferson assets.

Under the Master Indenture, the Combined Group is comprised of all of the Obligated Group Members and any Designated Affiliates. As of the date of issuance and delivery of the Bonds, the Combined Group will consist of the Obligated Group and the Designated Affiliates.

For purposes of this Official Statement, the term “Jefferson” is used to refer collectively to TJU, the other Members of Combined Group and all of their controlled Affiliates, and the term “System” is used to refer to TJU and any other Person whose financial results are set forth in the consolidated audited financial statements of the System. See also “APPENDIX A — DESCRIPTION OF JEFFERSON”, “APPENDIX B-1 - CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THOMAS JEFFERSON UNIVERSITY AS OF JUNE 30, 2024 AND 2023,” and “APPENDIX B-2 – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF LEHIGH VALLEY HEALTH NETWORK AS OF JUNE 30, 2024 AND 2023” attached hereto for additional information regarding the Members of the Combined Group and other entities comprising System.

Bondholders’ Risks

For information concerning certain risks relating to future revenues and expenses of the Obligated Group, health care legislation and other considerations, see “BONDHOLDERS’ RISKS.”

Continuing Disclosure

TJU has entered into Continuing Disclosure Agreements (as defined below) with the Bond Trustee, to provide certain financial and operating data. TJU also has, by separate agreement, retained Digital Assurance Certification, L.L.C. (“DAC”) as dissemination agent to assist TJU in connection with certain of its obligations under the Continuing Disclosure Agreements. See the information under the caption “CONTINUING DISCLOSURE” and APPENDIX F – “FORM OF CONTINUING DISCLOSURE AGREEMENTS.”

INFORMATION ABOUT JEFFERSON

Jefferson is a large academic medical center and healthcare system, located in the greater Philadelphia region and Lehigh Valley, with a tripartite mission of education, research and patient care. On August 1, 2024, the terms of a System Integration Agreement dated May 14, 2024, between LVHN and TJU became effective. Since the integration with LVHN, Jefferson includes 32 hospitals and over 360 sites of care delivery and employs over 65,000 people across a broad footprint in eastern Pennsylvania and southern New Jersey. As of the dates of the delivery of the Bonds, the Members of the Obligated Group will consist of TJU and certain of TJU’s controlled Affiliates: Jefferson Health Corporation (as successor to Albert Einstein Health Network), Thomas Jefferson University Hospitals, Inc., Jefferson University Physicians, Abington Health Foundation, Abington Memorial Hospital, Lansdale Hospital, Jefferson Health – Northeast, Philadelphia University, Kennedy Health Facilities, Inc., Kennedy University Hospital, Inc., Kennedy Medical Group Practice, P.C., The Magee Memorial Hospital for Convalescents, Albert Einstein Medical Center, Einstein Community Health Associates, Inc., Einstein Medical Center Montgomery, Einstein Practice Plan, Inc., Fomance Physician Services, Montgomery Hospital, Montgomery Health Foundation, Lehigh Valley Health Network, Inc., Lehigh Valley Hospital, Inc., Lehigh Valley Hospital – Hazleton, Lehigh Valley Hospital – Schuylkill and Lehigh Valley Hospital – Pocono; and the Designated Affiliates will consist of certain of TJU’s controlled Affiliates: Health Partners Plans, Inc., Jefferson Medical Group, Lehigh Valley Physician Group, Schuylkill Health System Medical Group, Inc., Family Care Centers, Inc. and Hazleton Professional Services.

For more detailed information concerning Jefferson, see “APPENDIX A - DESCRIPTION OF JEFFERSON,” “APPENDIX B-1 – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THOMAS JEFFERSON UNIVERSITY AS OF JUNE 30, 2024 AND 2023,” and “APPENDIX B-2 – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF LEHIGH VALLEY HEALTH NETWORK AS OF JUNE 30, 2024 AND 2023.”

THE AUTHORITY

The Authority is a body corporate and politic, constituting a public corporation and a governmental instrumentality of the Commonwealth, created by the Act. Under the Act, the Authority consists of the Governor of the Commonwealth, the State Treasurer, the Auditor General, the Secretary of Education, the Secretary of the Department of General Services, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives. The President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate and the Minority Leader of the House of Representatives may designate a member of their respective legislative bodies to act as a member of the Authority in his or her stead. The powers of the Authority are exercised by a governing body consisting of the members of the Authority acting as a board.

The Authority is authorized under the Act to, among other things, acquire, construct, finance, improve, maintain and operate any educational facility (as therein defined), with the rights and powers, inter alia: (1) to finance projects for colleges (including universities) by making loans to such colleges which may be evidenced by, and secured as provided in, Loan Agreement, security agreements or other contracts, leases or agreements; (2) to borrow money for the purpose of paying all or any part of the cost of construction, acquisition, financing, alteration, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the provisions of the Act and to pay the expenses incident to the provision of such loans; and (3) to issue bonds and other obligations for the purpose of paying the cost of projects, and to enter into trust indentures providing for the issuance of such obligations and for their payment and security.

The following are key staff members of the Authority who are involved in the administration of the financings and projects:

Jennifer Sheffield
Executive Director

Ms. Sheffield was appointed Executive Director of the Authority and SPSBA in 2024. She has been with the Authority and SPSBA since 2006 and previously served as Director of Operations. Prior to her present employment, Ms. Sheffield was an auditor with the Pennsylvania Department of the Auditor General. Ms. Sheffield is a graduate of the University of Pittsburgh with a bachelor’s degree in business and a concentration in accounting.

David Player
Comptroller & Director of Financial Management

Mr. Player serves as the Comptroller & Director of Financial Management of the Authority and SPSBA. He has been with the Authority and SPSBA since 1999. Prior to his present employment, Mr. Player was an audit senior with the Pennsylvania Department of the Auditor General. Mr. Player is a certified public accountant and a graduate of the Pennsylvania State University with a bachelor’s degree in accounting.

Members of the Authority

- Honorable Josh Shapiro
Governor of the Commonwealth of Pennsylvania..... President
- Honorable Jarett Coleman
Designated by the President Pro Tempore of the Senate..... Vice President
- Honorable Lindsay M. Williams
Designated by the Minority Leader of the Senate Vice President

Honorable Peter G. Schweyer Designated by the Speaker of the House of Representatives.....	Vice President
Honorable Stacy Garrity State Treasurer.....	Treasurer
Honorable Reggie McNeil Secretary of General Services	Secretary
Honorable Jesse Topper Designated by the Minority Leader of the House of Representatives	Board Member
Honorable Timothy L. DeFoor Auditor General	Board Member
Honorable Khalid N. Mumin Secretary of Education	Board Member

Financing Program of the Authority

The Authority has issued from time to time other series of revenue bonds and notes for the purpose of financing projects for other higher educational institutions in the Commonwealth. None of the revenues of the Authority with respect to its revenue bonds and notes issued for the benefit of other institutions will be pledged as security for any bonds or notes issued for the benefit of the Members of the Obligated Group. Further, no revenue bonds and notes issued for the benefit of other institutions will be payable from or secured by the revenues of the Authority or other moneys securing any bonds or notes issued for the benefit of the Members of the Obligated Group.

The Authority may issue in the future other series of bonds for the purpose of financing other projects, including other educational facilities. Each such series of bonds to the extent issued to benefit educational institutions other than the Members of the Obligated Group is or will be secured by instruments separate and apart from the Bond Indentures securing the Bonds.

The Act provides that the Authority is to obtain from the Pennsylvania State Public School Building Authority (“SPSBA” and, together with the Authority, the “Authorities”), for a fee, those executive, fiscal and administrative services which are not available from the colleges and universities, as may be required to carry out the functions of the Authority under the Act. Accordingly, the Authorities share an executive, fiscal and administrative staff and operate under a joint administrative budget.

THE AUTHORITY HAS NOT PREPARED OR ASSISTED IN THE PREPARATION OF THIS OFFICIAL STATEMENT, EXCEPT THE STATEMENTS UNDER THIS SECTION AND UNDER THE HEADING “LITIGATION – THE AUTHORITY” BELOW WITH RESPECT TO THE AUTHORITY AND, EXCEPT AS TO THOSE STATEMENTS, THE AUTHORITY IS NOT RESPONSIBLE FOR, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY THE ACCURACY OR COMPLETENESS OF, ANY INFORMATION OR ANY STATEMENTS MADE HEREIN. ACCORDINGLY, EXCEPT AS AFORESAID, THE AUTHORITY DISCLAIMS RESPONSIBILITY FOR THE DISCLOSURE SET FORTH HEREIN MADE IN CONNECTION WITH THE OFFER, SALE AND DISTRIBUTION OF THE BONDS.

PLAN OF FINANCING

Proceeds of the Bonds will be loaned by the Authority to TJU pursuant to the Loan Agreements to be applied, together with proceeds of the Other Series 2024 Bonds and other available funds, to fund: (i) all or a portion of the costs of the 2024 Project, which is described below, and (ii) the costs of issuance of the Bonds. The “2024 Project” consists of two main components: the “New Money Project” and the “2024 Refunding Project.”

New Money Project

The “New Money Project” consists of the payment of (or the reimbursement to TJU and the other Obligated Group Members for) the costs of:

(a) the construction, improvement and equipping of certain educational health care facilities of TJU and its affiliates located in Pennsylvania as described under the caption “INTRODUCTION – The 2024 Project” in APPENDIX A hereto;

(b) the payment of (or the reimbursement to TJU for) the costs of the acquisition by TJU of its sole corporate membership interest in LVHN related to the payment or defeasance of all or a portion of indebtedness previously issued for the benefit of LVHN, including but not limited to the following:

(i) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series A of 2015 issued in the original aggregate principal amount of \$75,000,000;

(ii) Lehigh County General Purpose Authority Hospital Revenue Refunding Bonds (Lehigh Valley Health Network), Series A of 2016 issued in the original aggregate principal amount of \$139,275,000;

(iii) City of Pottsville Hospital Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series B of 2016 issued in the original aggregate principal amount of \$53,255,000;

(iv) Monroe County Hospital Authority Hospital Revenue Bonds (Pocono Medical Center), Series of 2016 issued in the original aggregate principal amount of \$58,320,000;

(v) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network) Series A of 2019 issued in the original aggregate principal amount of \$418,120,000; and Hospital Revenue Bonds (Lehigh Valley Health Network) Series B of 2019 issued in the original aggregate principal amount of \$148,120,000;

(vi) Northampton County General Purpose Authority Hospital Revenue Bonds, Series 2020 (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of up to \$90,000,000;

(vii) Carbon County Hospital Authority Hospital Revenue Bonds, Series 2022B (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of up to \$42,500,000; and

(viii) certain commercial bank loans and credit facilities from various commercial lenders.

2024 Refunding Project

The “2024 Refunding Project” consists of the current refunding or purchase (for extinguishment) of all or a portion of indebtedness previously issued for the benefit of TJU, including but not limited to the following:

(a) Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2015A issued in the original aggregate principal amount of \$301,805,000; Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015E issued in the original aggregate principal amount of \$35,125,000; Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015F issued in the original aggregate principal amount of \$34,875,000; and Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015H (Taxable) issued in the original aggregate principal amount of \$29,050,000;

(b) Thomas Jefferson University Taxable Revenue Bonds, Series 2022A (the “Series 2022A Bonds”) issued in the original aggregate principal amount of \$590,155,000; and

(c) Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2024A issued in the original aggregate principal amount of \$315,055,000.

The 2024 Project also consists of the funding of the payment of the costs associated with credit enhancement, if any; and the payment of issuance costs and expenses incident to the financing including costs relating to interest rate hedging arrangements.

The Series 2022A Bonds referred to above are to be retired by a tender offer to purchase of a portion thereof, conducted by TJU. No assurance can be given as to the principal amount of bonds tendered. Any Series 2022A Bonds that are not tendered and purchased will remain outstanding.

See also “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

Simultaneously with or shortly after the issuance of the Bonds, the Authority will issue the Other Series 2024 Bonds. Proceeds of the Other Series 2024 Bonds will be used to fund certain aspects of the 2024 Project. **The Other Series 2024 Bonds are not being offered pursuant to this Official Statement.**

ESTIMATED SOURCES AND USES OF FUNDS

Set forth below are estimated sources and uses of funds relating to the plan of financing.

Estimated Sources of Funds	Series 2024B-1 <u>Bonds</u>	Series 2024B-2 <u>Bonds</u>	Series 2024C <u>Bonds</u>	Other Series <u>2024 Bonds</u>	<u>Total</u>
Principal Amount	\$				
[Net] Original Issue					
[Premium/Discount]					
Total Estimated Sources of Funds	\$				

Estimated Uses of Funds

Deposit to Project Fund	\$
2024 Refunding Project	
Costs of Issuance ⁽¹⁾	
Total Estimated Uses of Funds	\$

⁽¹⁾ Includes underwriters’ discount, legal fees, financial advisory fees, accounting fees, verification agent fees, initial fees of the Master Trustee, Bond Trustee, Authority, printing and rating agency fees and other expenses incurred in connection with the issuance of the Bonds and fees of the dealer manager and information agent in connection with the tender offer.

THE BONDS

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND THE INTEREST ON SUCH BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURES AND THE BONDS. NEITHER THE COMMONWEALTH OF PENNSYLVANIA NOR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT PROVIDED IN THE BOND INDENTURES AND THE BONDS) SHALL BE OBLIGATED TO PAY THE BONDS OR THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST THEREON EXCEPT FROM REVENUES (AS DEFINED IN THE BOND INDENTURES) AND CERTAIN OTHER MONEYS PLEDGED UNDER THE BOND INDENTURES, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY OR THE FAITH AND CREDIT OR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO, OR AVAILABLE FOR THE PAYMENT OF THE BONDS, AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

The following is a summary of certain provisions of the Bonds as Fixed Bonds in the Initial Fixed Period. Reference is made to the Bonds and to the related bond indentures for a more detailed description of such provisions. The discussion herein is qualified by such reference. See APPENDIX C – “PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS.” Any reference herein to the Bonds or to the related bond indentures or other similar documents shall be deemed to mean the Bonds or the documents related thereto, unless the context or use clearly indicates otherwise.

This Official Statement summarizes certain terms of the Bonds only while the Bonds bear interest in the Initial Fixed Period as Fixed Bonds. The Initial Fixed Period will commence on the date of issuance of each respective series of Bonds and will end on the earlier of the Maturity Date or the date, if any, on which the Bonds are converted, at the election of TJU, to operate in a different Interest Rate Mode or a new Fixed Period. Should a series of Bonds be converted to operate in a different Interest Rate Mode or a new Fixed Period, such Bonds will be subject to mandatory tender and purchase on the Conversion Date and, at that time, it is expected that a reoffering circular or a supplement to this Official Statement or other disclosure document will be prepared for such Bonds if publicly offered in connection with any such Conversion.

General

The Bonds are being issued in the Initial Fixed Period as Fixed Bonds that will be dated the date of delivery and will mature on the dates and bear interest at the rates as shown on the inside cover of this Official Statement. **The Bonds, or portions thereof, may be converted, at TJU’s election, to a Daily Mode, a Two Day Mode, a Weekly Mode, a Short Term Mode, a Long-Term Mode, a Flexible Mode, an FRN Mode, a VRO Mode, a Window Mode, a Direct Purchase Mode or a new Fixed Period, all as defined in the Bond Indenture. Any such Conversion may occur only during the period in which such Bonds are subject to optional redemption pursuant to the provisions of the applicable Bond Indenture as described under “THE BONDS – Redemption and Purchase – Optional Redemption” below. See “THE BONDS – Mandatory Tender of Bonds for Purchase on or After Optional Redemption Date; Conversions” herein.**

Interest on the Series 2024B Bonds (based on a 360-day year of twelve 30-day months) will be payable each March 1 and September 1 (each, an “Interest Payment Date”), commencing on March 1, 2025, or if any March 1 and September 1 is not a Business Day, the next succeeding Business Day. Any Conversion Date and the last day of any Interest Rate Mode is also an Interest Payment Date with respect to the Bonds.

The Bonds will be subject to sinking fund redemption, optional redemption and extraordinary optional redemption, and purchase in lieu of optional redemption prior to maturity as described under “THE BONDS — Redemption and Purchase” herein.

The Bonds will be registered in the name of The Depository Trust Company, New York, New York (“DTC”) or its nominee to be held in DTC’s book-entry only system. So long as the Bonds are held in DTC’s book-entry only system, DTC (or a successor securities depository) or its nominee will be the registered owner of the Bonds for all purposes of the applicable Bond Indenture and the Bonds, and payments of principal, Redemption Price, and interest with respect to the Bonds will be made solely through the facilities of DTC. See “BOOK-ENTRY ONLY SYSTEM.”

The Bonds will be made available to Beneficial Owners (as defined in the Bond Indenture) in book-entry form only, in Authorized Denominations of \$5,000 and any integral multiple thereof. Beneficial Owners of the Bonds will not receive certificates representing their interests in the Bonds, except as described below. So long as Cede & Co. is the registered owner of the Bonds, the principal of, and the interest on, and the Redemption Price of, the Bonds are payable by wire transfer by the Bond Trustee to Cede & Co., as nominee for DTC which, in turn, will remit such amounts to DTC participants for subsequent disbursement to the Beneficial Owners. So long as all records of ownership of the Bonds are maintained through the book-entry only system, all payments to the Beneficial Owners of the Bonds will be made in accordance with the procedures described herein under “BOOK-ENTRY ONLY SYSTEM.”

The principal or Redemption Price of, and interest on, the Bonds shall be payable in lawful money of the United States of America. Such principal or Redemption Price shall be payable at the designated corporate trust office of the Bond Trustee upon surrender for cancellation. Interest on the Bonds shall be payable on each Interest Payment Date by the Bond Trustee by check mailed on the date on which due to the Holders of the Bonds at the close of business on the fifteenth day of the month preceding the month in which such Interest Payment Date occurs, whether or not such

day is a Business Day (each, a “Record Date”) in respect of such Interest Payment Date at the registered addresses of Holders as shall appear on the registration books of the Bond Trustee as of the close of business as of such Record Date. In the case of any Holder of Bonds in an aggregate principal amount in excess of \$1,000,000 as shown on the registration books of the Bond Trustee who, prior to the Record Date preceding any Interest Payment Date, shall have provided the Bond Trustee with written wire transfer instructions containing the wire transfer address within the continental United States of America, interest payable on such Bonds shall be paid in accordance with the wire transfer instructions provided by the Holder of such Bond.

Mandatory Tender of Bonds for Purchase on or After Optional Redemption Date; Conversions

At the option of TJU, the Bonds may be converted, in whole or in part, to operate in a Daily Mode, a Two Day Mode, a Weekly Mode, a Short-Term Mode, a Long-Term Mode, a Flexible Mode, an FRN Mode, a VRO Mode, a Window Mode, a Direct Purchase Mode or a new Fixed Period on any date during the period such Bonds are subject to optional redemption pursuant to the provisions of the bond indentures relating to the Bonds as described under “THE BONDS – Redemption and Purchase – Optional Redemption” below. Any Conversion of a series of Bonds shall be in Authorized Denominations in a minimum aggregate principal amount of \$5,000,000. The Bond Trustee shall give Electronic Notice, confirmed by first class mail, of the Conversion to the holders of such series of Bonds, not less than 20 days prior to the Conversion Date.

Such notice shall state, among other things: (i) the Conversion Date; (ii) that such Bonds shall be subject to mandatory tender for purchase on such Conversion Date (herein also referred to as the “Mandatory Purchase Date”); (iii) that Holders may not elect to retain such Bonds subject to mandatory tender; (iv) that all such Bonds subject to mandatory tender shall be required to be delivered to the designated corporate trust office of the Bond Trustee on the Mandatory Purchase Date; (v) that if the Holder of any Bond subject to mandatory tender fails to deliver such Bond to the Bond Trustee for purchase on the Mandatory Purchase Date, and if the Bond Trustee is in receipt of funds sufficient to pay the Purchase Price thereof, such Bond (or portion thereof) shall nevertheless be deemed purchased on the Mandatory Purchase Date and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof; (vi) that any Holder that fails to deliver any Bond for purchase shall have no further rights thereunder or under the Bond Indenture except the right to receive the Purchase Price thereof upon presentation and surrender of such Bond to the Bond Trustee, and that the Bond Trustee will place a stop transfer against the Bonds subject to mandatory tender registered in the name of such Holder(s) on the registration books; (vii) that if moneys sufficient to effect such purchase shall have been provided through (A) the remarketing of such Bonds by the Remarketing Agent, or (B) funds provided by TJU, all such Bonds shall be purchased, and (viii) in the case of mandatory tender upon any proposed Conversion of Bonds, that such Conversion and such mandatory tender will not occur in the event any of the conditions to Conversion specified in the Bond Indenture are not satisfied, and that any such failure to effect the Conversion shall not constitute an Event of Default.

Such Conversion from the Initial Fixed Period and mandatory tender of a series of Bonds will not occur unless the following shall occur (i) a Favorable Opinion of Bond Counsel shall be provided with respect to such Conversion; (ii) the remarketing proceeds and, if any, funds transferred by TJU to the Bond Trustee and available on the Conversion Date shall not be less than the amount required to purchase all of such Bonds to be converted at the applicable Purchase Price; (iii) in the case of any Conversion of a series of Bonds to any Interest Rate Mode (except a Direct Purchase Mode), prior to the Conversion Date, TJU shall have appointed a remarketing agent and there shall have been executed and delivered a remarketing agreement; and (iv) for a Conversion of less than all of the Bonds of a series, such series of Bonds shall be designated into separate sub-series as provided in the Bond Indenture. In addition to the conditions set forth above and notwithstanding TJU’s delivery of notice of the exercise of its option to effect a Conversion for the series of Bonds, such Conversion to the new Interest Rate Mode shall not take effect if: (a) the Remarketing Agent fails to determine, when required, the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable; (b) the notice of Conversion to the Holders of such Bonds is not given when required; or (c) sufficient funds are not available by the time specified in the related Bond Indenture on the Conversion Date to purchase all of such Bonds required to be purchased on such Conversion Date.

In connection with any proposed Conversion of a series of Bonds from the Fixed Mode to a different Interest Rate Period, TJU has the right to deliver to the Bond Trustee and the Authority on or prior to 10:00 a.m., New York City time, on the effective date of any such proposed Conversion, a notice to the effect that TJU elects to rescind its election to implement any such Conversion. If TJU rescinds its election to implement any such Conversion, then such

Conversion shall not occur, the mandatory tender shall not occur and the Bonds will continue to bear interest at the current interest rates for the Fixed Period in effect immediately prior to such proposed Conversion Date.

Payment of the Purchase Price; Failed Conversion. Funds for the payment of the Purchase Price of the Bonds of a series shall be received by the Bond Trustee from the following sources and used in the order of priority indicated: (A) proceeds of the sale of the Bonds remarketed and furnished to the Bond Trustee by the Remarketing Agent; and (B) moneys required to be provided by TJU to the Bond Trustee. If any condition precedent to the Conversion of the Interest Rate Mode on a series of Bonds required under the applicable Bond Indenture and as also described above shall not be satisfied, including delivery of the required Favorable Opinion of Bond Counsel, no purchase shall be consummated. **Failure of TJU to provide sufficient funds for the purchase of all tendered Bonds on a Conversion Date shall not constitute an Event of Default under the Bond Indenture and the Loan Agreement. If such Bonds are not purchased when required, then such Conversion of the Interest Rate Mode shall not occur and such Bonds shall continue to bear interest at the current interest rate as in effect immediately prior to such proposed Conversion Date.**

Redemption and Purchase

Optional Redemption of the Series 2024B Bonds. During the Initial Fixed Period, the Series 2024B Bonds are not subject to optional redemption prior to _____, 20___. The Series 2024B Bonds maturing on and after _____, 20__ are subject to redemption prior to maturity at the option of the Authority at the written direction of TJU, in whole or in part on any Business Day on and after _____, 20__, in such order of maturity and in such amounts as may be designated by TJU, upon payment of a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

Optional Redemption of the Series 2024C Bonds. The Series 2024C Bonds are subject to redemption at the option of the Authority at the written direction of TJU, in whole or in part, (i) before _____, at a Make-Whole Redemption Price, and (ii) on or after _____, at a redemption price equal to 100% of the principal amount of the Series 2024C Bonds to be redeemed, together with accrued interest thereon to the redemption date. For purposes of this paragraph, the following definitions shall apply:

“Make-Whole Redemption Price” means, the greater of (i) 100% of the principal amount of the Series 2024C Bonds of such maturity to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on the Series 2024C Bonds of such maturity to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2024C Bonds are to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus ___ basis points, plus in each case, accrued and unpaid interest on the Series 2024C Bonds being redeemed to the date fixed for redemption.

“Treasury Rate” means, with respect to any redemption date, with respect to the Series 2024C Bonds of a particular maturity, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second business day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

“Comparable Treasury Issue” means, with respect to the Series 2024C Bonds of a particular maturity, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Series 2024C Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2024C Bonds of such maturity to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date, with respect to the Series 2024C Bonds of a particular maturity, (A) the average of the applicable Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Series 2024C Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers as designated by the Authority.

“Reference Treasury Dealer” means each of four firms, as designated by the Authority, and their respective successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the City of New York (a “Primary Treasury Dealer”), the Authority will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2024C Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to the Authority, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Bond Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

"Business Day" means any day, other than a Saturday or Sunday, and other than a day on which the Bond Trustee or a Paying Agent (other than the Bond Trustee), as applicable, is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

Extraordinary Optional Redemption. The Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of TJU, on any Interest Payment Date, in the event a substantial portion of the Obligated Group’s facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued interest thereon to the date fixed for redemption.

Mandatory Bond Sinking Fund Redemption. The Series 2024B-1 Bonds maturing on September 1, 20__ are subject to redemption in part prior to their stated maturity from Sinking Fund Installments on any Sinking Fund Installment Date at the Redemption Price equal to the principal amount of the Series 2024B-1 Bonds to be redeemed plus accrued interest, if any, to the redemption date and without premium at the following amounts and on the following dates:

Sinking Fund Installment Date (September 1)	Sinking Fund Installments
	\$
*	
* Maturity	

The Series 2024B-1 Bonds maturing on September 1, 20__ are subject to redemption in part prior to their stated maturity from Sinking Fund Installments on any Sinking Fund Installment Date at the Redemption Price equal to the principal amount of the Series 2024B-1 Bonds to be redeemed plus accrued interest, if any, to the redemption date and without premium at the following amounts and on the following dates:

Sinking Fund Installment Date (September 1)	Sinking Fund Installments
	\$
*	
* Maturity	

The Series 2024B-2 Bonds maturing on September 1, 20__ are subject to redemption in part prior to their stated maturity from Sinking Fund Installments on any Sinking Fund Installment Date at the Redemption Price equal to the principal amount of the Series 2024B-2 Bonds to be redeemed plus accrued interest, if any, to the redemption date and without premium at the following amounts and on the following dates:

Sinking Fund Installment Date (September 1)	Sinking Fund Installments
	\$

*

* Maturity

The Series 2024B-2 Bonds maturing on September 1, 20__ are subject to redemption in part prior to their stated maturity from Sinking Fund Installments on any Sinking Fund Installment Date at the Redemption Price equal to the principal amount of the Series 2024B-2 Bonds to be redeemed plus accrued interest, if any, to the redemption date and without premium at the following amounts and on the following dates:

Sinking Fund Installment Date (September 1)	Sinking Fund Installments
	\$

*

* Maturity

The Series 2024C Bonds maturing on September 1, 20__ are subject to redemption in part prior to their stated maturity from Sinking Fund Installments on any Sinking Fund Installment Date at the Redemption Price equal to the principal amount of the Series 2024C Bonds to be redeemed plus accrued interest, if any, to the redemption date and without premium at the following amounts and on the following dates:

Sinking Fund Installment Date (September 1)	Sinking Fund Installments
	\$

*

* Maturity

The Series 2024C Bonds maturing on September 1, 20__ are subject to redemption in part prior to their stated maturity from Sinking Fund Installments on any Sinking Fund Installment Date at the Redemption Price equal to the principal amount of the Series 2024C Bonds to be redeemed plus accrued interest, if any, to the redemption date and without premium at the following amounts and on the following dates:

**Sinking Fund Installment Date
(September 1)**

Sinking Fund Installments

\$

*

* Maturity

In connection with any partial redemption or defeasance prior to maturity of a series of Bonds, the Bond Trustee may, at the written request of TJU, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Bonds of a series remaining outstanding on the first principal or Sinking Fund Installment Date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal or Redemption Price of and interest on the Bonds of a series to be redeemed or defeased or as otherwise directed by TJU if the Bond Trustee shall have received a Favorable Opinion of Bond Counsel.

Purchase in Lieu of Optional Redemption

Notwithstanding the redemption provisions of the applicable Bond Indenture, any Bond subject to optional redemption and cancellation pursuant to the provisions of the applicable Bond Indenture summarized under the heading “Redemption and Purchase – Optional Redemption” above, shall also be subject to optional call for purchase and, at the option of TJU, holding, resale or cancellation by TJU, at the same times as are applicable to the optional redemption of Bonds and at a Purchase Price equal to the applicable Redemption Price of such Bonds, provided that purchase in lieu of optional redemption will be subject to the same conditional requirements as conditional calls described under “– Notice of Redemption” below. To exercise such option, TJU shall give the Bond Trustee a Written Request exercising such option as though such Written Request were a written request for redemption, and the Bond Trustee shall thereupon give the Holders of the Bonds to be purchased notice of such purchase in the manner specified, and within the time period specified, under the heading “THE BONDS – Notice of Redemption” below and the purchase of such Bonds shall be mandatory and enforceable against the Bondholders. On the date fixed for purchase pursuant to any exercise of such option, TJU or its assignee shall pay the Purchase Price of the Bonds then being purchased to the Bond Trustee in immediately available funds on the Purchase Date, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Bonds to be registered in the name of TJU or its assignee and shall deliver them to TJU or its assignee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with the provisions summarized under the heading “THE BONDS – Selection of Bonds for Redemption” below. No purchase of the Bonds pursuant to the provisions of the applicable Bond Indenture summarized in this paragraph shall operate to extinguish the indebtedness of the Authority evidenced thereby (subject to all the terms and limitations contained in the applicable Bond Indenture). Notwithstanding the foregoing, no purchase shall be made pursuant to the provisions of the applicable Bond Indenture summarized in this paragraph with respect to the Bonds, unless TJU shall have delivered to the Bond Trustee and the Authority concurrently therewith a Favorable Opinion of Bond Counsel.

Selection of Bonds for Redemption

Whenever provision is made in the applicable Bond Indenture for the redemption of less than all of a series of Bonds or any given portion thereof, the Bond Trustee shall select the Bonds to be redeemed, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed in writing by TJU or in the absence of direction by lot.

Notice of Redemption

Notice of redemption shall be mailed by the Bond Trustee, not less than twenty (20) days nor more than sixty (60) days prior to the redemption date to the Holders of Bonds of a series called for redemption at their addresses appearing on the bond registration books of the Bond Trustee as of the date of the giving of such notice. Each notice of redemption shall state the date of such notice, the Series designation and date of issue of the Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses

of the Bond Trustee), the Maturity Date, the CUSIP numbers, if any, and, in the case of Bonds of a series to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that, subject to the deposit of sufficient funds with the Bond Trustee on or prior to the redemption date to effect the redemption and to prior rescission as provided in the next paragraph, on that date there will become due and payable on each of the Bonds, the Redemption Price thereof or of the specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Any notice of optional redemption shall state (i) that it is conditioned upon the deposit with the Bond Trustee on or prior to the redemption date of moneys in an amount equal to the amount necessary to effect the redemption and (ii) that the notice may be rescinded by written notice given to the Bond Trustee by TJU on or prior to the date specified for redemption, and in either of such cases such notice and redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in the applicable Bond Indenture. Any Bond for which a notice of redemption has been rescinded or for which sufficient funds to pay the Redemption Price thereof have not been deposited with the Bond Trustee on or prior to the redemption date shall remain outstanding and neither the rescission of the notice nor the failure to fund the Redemption Price shall constitute an Event of Default under the applicable Bond Indenture. The Bond Trustee shall give notice of such rescission or failure to fund the Redemption Price as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such optional redemption was given.

Failure by the Bond Trustee to mail a notice of redemption to any one or more of the respective Holders of any Bonds of a series designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

Registration, Transfer and Exchange

For a description of the procedure to transfer ownership of a Bond while in the book-entry only system, see “BOOK-ENTRY ONLY SYSTEM” herein. The Bonds, if not then in book-entry only registration, are subject to the limitations described below.

Upon surrender for transfer or exchange of any Bond at the designated corporate trust office of the Bond Trustee, the Authority shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees, one or more new Bonds of the same maturity and of any Authorized Denominations and of a like aggregate principal amount.

All Bonds presented or surrendered for transfer or exchange shall (if so required by the Bond Trustee) be duly endorsed, or be accompanied by a written instrument of transfer or authorization for exchange, in form satisfactory to the Bond Trustee, duly executed by the registered owner or by such owner’s attorney or legal representative duly authorized in writing.

No service charge shall be imposed for any registration, exchange or transfer of Bonds. The Bond Trustee may, however, require payment by the person requesting an exchange or transfer of Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of 2024B-1 Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Bond Trustee will not be required to (a) transfer or exchange any Bond (other than a Bond tendered for purchase under the mandatory tender provisions of the Bond Indenture) during the 15-day period preceding the mailing of such notice of redemption of Bonds and ending at the close of business on the fifth Business Day after such mailing, or (b) transfer or exchange any Bond so selected for redemption in whole or in part during a period beginning at the opening of business on any Record Date for such Bond and ending at the close of business on the relevant Interest Payment Date.

OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP

Existing Obligations

As of June 30, 2024, Jefferson (assuming Jefferson, as currently constituted including LVHN, existed during such period) had total outstanding indebtedness, as calculated on an unaudited pro forma basis, of \$4,933,609,000*, including which total included \$3,312,225,000 principal amount of bonds issued for the benefit of TJU (“TJU Bonds”), \$1,190,384,000 principal amount of bonds issued for the benefit of LVHN (“LVHN Bonds”), and certain other debt, financing leases, and adjustments. The aforementioned outstanding indebtedness does not include draws on any existing lines of credit as of June 30, 2024, which have been paid down to zero as of September 30, 2024. A portion of the outstanding TJU Bonds and LVHN Bonds is expected to be refunded by a portion of the proceeds of the Bonds. See “PLAN OF FINANCING” herein.

Swap Agreements

TJU and LVHN have previously entered into derivative transactions for the purpose of reducing the impact of fluctuations in interest rates under the terms of various debt obligations. See “SECURITY AND SOURCES OF PAYMENT — Interest Rate Swaps” herein for more information regarding certain interest rate swap agreements related to certain outstanding Indebtedness of the Obligated Group (the “Swaps”), including Existing Swaps (as defined herein). See also “INDEBTEDNESS – Interest Rate Derivatives” in APPENDIX A hereto, “Note 14. Derivative Financial Instruments” in “APPENDIX B-1 — CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THOMAS JEFFERSON UNIVERSITY AS OF JUNE 30, 2024 AND 2023” and “Note 7. Derivative Financial Instruments” in “APPENDIX B-2 — CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF LEHIGH VALLEY HEALTH NETWORK AS OF JUNE 30, 2024 AND 2023” attached hereto.

* Preliminary, subject to change.

Debt Service Requirements

The following table presents the estimated annual debt service for all outstanding Obligations and Parity Indebtedness after the issuance of the Bonds and the refunding of the Refunded Bonds. See “PLAN OF FINANCING” herein. Currently, there are no annual debt service requirements related to any Subordinated Obligations. Totals may not foot due to rounding.

Fiscal Year Ending June 30,	<u>Series 2024B-1 Bonds</u>		<u>Series 2024B-2 Bonds</u>		<u>Series 2024 C Bonds</u>		Debt Service on the Other Series 2024 Bonds ⁽¹⁾	Debt Service on Other Parity Indebtedness ⁽¹⁾	Aggregate Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest			
	\$	\$	\$	\$	\$	\$	\$	\$	\$

BOOK-ENTRY ONLY SYSTEM

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of The Depository Trust Company (“DTC”) New York, New York, Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) or Clearstream Banking, S.A. (“Clearstream”) (DTC, Euroclear and Clearstream together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that TJU believes to be reliable, but none of the Authority, TJU, the Bond Trustee or the Underwriters take any responsibility for the accuracy, completeness or adequacy of the information in this section. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. TJU will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Clearing Systems

DTC Book-Entry Only System.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each series and maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of bond certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such

other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority and the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Under the Bond Indentures, the Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, fully registered replacement bond certificates will be printed and delivered as required by the applicable Bond Indenture.

In the event the system of book-entry transfers through DTC (or a successor securities depository) is discontinued, the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the designated corporate trust or corporate trust agency office of the Bond Trustee. The transfer of any Bond may be registered on the books maintained by the Bond Trustee for such purpose only upon the surrender thereof to the Bond Trustee with a duly executed assignment in form satisfactory to the Bond Trustee. For every exchange or transfer of Bonds, the Authority and the Bond Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondholder for any transfer or exchange of the Bonds. The Bond Trustee will not be required to transfer or exchange any Bond during the 15 days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if such Bond or portion thereof to be transferred or exchanged has been called for such redemption.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources believed to be reliable, but the Authority and the Obligated Group take no responsibility for the accuracy thereof.

THE AUTHORITY, THE OBLIGATED GROUP, THE BOND TRUSTEE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF THE PRINCIPAL OF, OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS, OR (II) CONFIRMATION OF OWNERSHIP INTERESTS IN THE BONDS, OR (III) REDEMPTION OR OTHER NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE AUTHORITY, THE OBLIGATED GROUP, THE BOND TRUSTEE OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE BONDS WITH RESPECT TO (I) THE BONDS, (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (III) THE PAYMENT BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, THE BONDS, (IV) THE DELIVERY OF ANY NOTICE BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT, (V) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS, OR (VI) ANY OTHER ACTION TAKEN BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT.

Euroclear and Clearstream. Euroclear and Clearstream have advised TJU as follows:

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures

General. The Series 2024C Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in

the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

TJU will not impose any fees in respect of holding the Series 2024C Bonds; however, holders of book-entry interests in the Series 2024C Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement. Interests in the Series 2024C Bonds will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Series 2024C Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Series 2024C Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the Series 2024C Bonds against payment (value as on the date of delivery of the Series 2024C Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Series 2024C Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Series 2024C Bonds following confirmation of receipt of payment to TJU on the date of delivery of the Series 2024C Bonds.

Secondary Market Trading. Secondary market trades in the Series 2024C Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Series 2024C Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Series 2024C Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Series 2024C Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Series 2024C Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Series 2024C Bonds, or to receive or make a payment or delivery of Series 2024C Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. TJU expects that the Series 2024C Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The international securities identification number, common code and CUSIP number for each maturity of the Series 2024C Bond set out on the initial page of this Official Statement.

General. None of Euroclear, Clearstream or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither TJU nor any of its agents nor will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

The information in this Official Statement concerning the Clearing Systems has been obtained from sources that the Underwriters believe to be reliable, but the Underwriters take no responsibility for the accuracy thereof.

For so long as the Bonds of a Series are registered in the name of DTC or its nominee, Cede & Co., TJU and the Bond Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Bonds of such Series for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Bonds of a Series, references in this Official Statement to registered owners of the Bonds of such Series shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds of such Series.

Because DTC is treated as the owner of the Bonds of each Series for substantially all purposes under the related Trust Indenture, beneficial owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of beneficial owners is unknown to TJU, the Bond Trustee or DTC, it may be difficult to transmit information of potential interest to beneficial owners in an effective and timely manner. Beneficial owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Bonds that may be transmitted by or through DTC.

Under the Bond Indentures, payments made by the Bond Trustee to DTC or its nominee shall satisfy the obligations of TJU under the Master Notes to the extent of the payments so made.

Neither TJU nor the Bond Trustee have any responsibility or obligation with respect to:

1. the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Bonds;
2. the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Bond Trustee, of any notice with respect to any Bond including, without limitation, any notice of redemption with respect to any Bond;
3. the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Bond Trustee, of any amount with respect to the principal of, premium, if any, or interest on, any Bond; or
4. any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, TJU and the Bond Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Bonds for all purposes whatsoever, including, without limitation:

1. the payment of principal, premium, if any, and interest on the Bonds;
2. giving notices of redemption and other matters with respect to the Bonds;
3. registering transfers with respect to the Bonds; and
4. the selection of Bonds for redemption.

The Authority has no responsibility or obligations with respect to the foregoing.

SECURITY AND SOURCES OF PAYMENT

General

The Bonds are being issued by the Authority under and pursuant to the Bond Indentures. The Bonds are limited obligations of the Authority payable solely from the sources identified in the applicable Bond Indenture, including Revenues (as defined below under the subheading “ - Bond Indenture”) and amounts payable under the Master Notes as described below.

Pursuant to each Loan Agreement, the Authority will lend the proceeds of the Bonds to TJU for the purpose of undertaking the 2024 Project and TJU will agree to make payments at such times and in such amounts as to provide for payment of the principal, redemption price of, and interest on, the Bonds, as applicable.

As further described below, TJU, as the Combined Group Agent, will deliver a separate Master Note to the Bond Trustee to evidence and secure TJU’s obligations under each Loan Agreement. The Master Notes are joint and several obligations of each Member of the Obligated Group, secured by a pledge of its Gross Revenues equally and ratably with existing Obligations (other than Subordinated Obligations), any Parity Indebtedness and any additional Obligations (other than Subordinated Obligations) secured from time to time under the Master Indenture.

The Authority has assigned its rights under each Loan Agreement (other than rights to be reimbursed for certain expenses and indemnification) and the Master Notes to the Bond Trustee as security for its obligations with respect to the Bonds.

See also “OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP” herein for a description of the indebtedness and swaps secured under the Master Indenture.

Bond Indentures

Pursuant to each Bond Indenture, the Authority pledges and assigns to the Bond Trustee: (a) all right, title and interest (but not the obligations) of the Authority under and pursuant to the terms of the applicable Loan Agreement in and to all loan payments and all other payments, revenues and receipts receivable by the Authority under the applicable Loan Agreement except as provided therein, (b) all of the right, title and interest of the Authority in and to the Master Notes (corresponding to the series or subseries of Bonds), and all payments, revenues and receipts receivable by the Authority thereunder except as provided therein, and (c) all of the right, title and interest of the Authority in and to all Funds and Accounts established under the applicable Bond Indenture (except for the respective Rebate Fund and Bond Purchase Fund) and investments now or hereafter held therein and all present and future Revenues (as defined in the paragraph below) to secure, first, the payment of the principal, Redemption Price and Purchase Price of and interest on the Bonds. See “APPENDIX C — PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS.”

The Bond Indentures defines “Revenues” as amounts received by the Authority or the Bond Trustee pursuant or with respect to the Loan Agreements or Master Notes, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the applicable Bond Indenture (other than the Respective Rebate Fund and the Bond Purchase Fund), but not including the Authority’s Unassigned Rights, any Administrative Fees and Expenses, Additional Payments, any moneys required to be deposited in the Respective Rebate Fund or the Bond Purchase Fund or any interest, profits or other income required to be retained in the Respective Rebate Fund or the Bond Purchase Fund.

The Bonds are not secured by any debt service reserve fund under the Bond Indentures.

Loan Agreements

Under the Loan Agreements, TJU is required to make loan payments in amounts sufficient to pay when due the principal of, premium, if any, and interest on the Bonds. The obligation of TJU to make loan payments constitutes a general obligation of TJU, the full faith and credit of which is pledged to the payment thereof. TJU is required to pay all loan payments and additional payments without notice or demand, without abatement, diminution or deduction and regardless of any cause or circumstance whatever, including, without limitation, any set-off, counterclaim, recoupment or defense.

The Combined Group Agent has issued a separate Master Note under the Master Indenture, as security for TJU's obligations under each Loan Agreement. The Master Notes are joint and several obligations of TJU and the other Members of the Obligated Group. Each of TJU and the other Members of the Obligated Group has granted a lien on, and security interest in, its respective Gross Revenues to secure its obligations under the Master Indenture and the Master Notes, as described under "Master Indenture." The Authority has assigned its rights under the Master Notes to the Bond Trustee pursuant to the applicable Bond Indenture, and the Bond Trustee will be a "Related Bond Trustee" for the benefit of holders of the Bonds under the Master Indenture.

See "APPENDIX C — PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS."

The Master Indenture

Obligated Group. Pursuant to the Master Indenture, TJU and each other Member of the Obligated Group have agreed to comply with certain financial and operational covenants contained in the Master Indenture. The Master Indenture described herein governs the exercise of remedies by holders of Obligations (including Obligations with respect to Related Bonds (as defined in the Master Indenture) such as the Master Notes for the Bonds), upon an event of default, and limits the ability of the holder of any Obligation to exercise remedies unilaterally.

Pursuant to the Master Indenture, TJU and each other Member of the Obligated Group has unconditionally and irrevocably (subject to the rights of Members to leave the Obligated Group) jointly and severally covenanted that it will promptly pay all amounts due under every Obligation issued under the Master Indenture and be liable therefor at the times and in the amounts (including principal, purchase price, interest and premium, if any, and all other amounts due thereunder) equal to the amounts to be paid upon any Related Bonds and upon any other financial obligations evidenced or secured by Obligations. In addition, to secure its obligations under the Master Indenture, each Obligated Group Member has granted to the Master Trustee, a lien on and security interest in its Gross Revenues.

See "Certain Covenants of the Obligated Group under the Master Indenture — Gross Revenues Pledge" below for a further description of the Gross Revenue pledge of the Members of the Obligated Group pursuant to the Master Indenture and "APPENDIX D – THE MASTER INDENTURE" attached hereto.

Designated Affiliates. In addition, the Master Indenture permits the Combined Group Agent to designate Persons as Designated Affiliates. The Combined Group Agent shall designate a Member of the Obligated Group as the Controlling Member of such Designated Affiliate, provided that such Member of the Obligated Group shall either (a) maintain, directly or indirectly, control of such Designated Affiliate, including the power to direct the management, policies, disposition of assets and actions of such Designated Affiliate to the extent required to cause such Designated Affiliate to comply with the terms and conditions of the Master Indenture, whether through the ownership of voting securities, by contract, partnership interests, membership, reserved powers, or the power to appoint members, trustees or directors or otherwise, or (b) to the extent required, execute and have in effect such contracts or other agreements that the Combined Group Agent or Controlling Member, in its sole judgment, deems sufficient for it to cause such Designated Affiliate to comply with the terms and conditions of the Master Indenture.

Pursuant to the Master Indenture, the Combined Group Agent may at any time declare that a Designated Affiliate is no longer a Designated Affiliate under the Master Indenture; provided, however that no Person shall cease to be a Designated Affiliate if any Outstanding Related Bonds have been issued for the benefit of such Person until there is delivered to the Master Trustee an opinion of Bond Counsel to the effect that, under then existing law, the cessation by such Person of its status as a Designated Affiliate will not adversely affect the validity of any Related

Bond or any exemption from federal or state income taxation of interest payable thereon to which such Related Bond would otherwise be entitled.

Under the Master Indenture, the Combined Group is comprised of all of the Obligated Group Members and any Designated Affiliates. As of the date of issuance and delivery of the Bonds, the Combined Group will consist of the Obligated Group together with Health Partners Plans, Inc., Jefferson Medical Group, Lehigh Valley Physician Group, Schuylkill Health System Medical Group, Inc., Family Care Centers, Inc. and Hazleton Professional Services, as Designated Affiliates, for whom TJU currently is the Controlling Member. The Combined Group Agent may from time to time deliver a revised list of Designated Affiliates to the Master Trustee, indicating additions or deletions of Designated Affiliates.

As described in the Master Indenture, all of the Obligated Group Members: (i) are jointly and severally liable on the Obligations issued and outstanding under the Master Indenture, including the Master Notes securing the Bonds and, if issued, separate master notes constituting Obligations under the Master Indenture related to the Other Series 2024 Bonds, and (ii) have pledged their Gross Revenues to secure such Obligations, and any future Obligations issued thereunder.

Designated Affiliates are not obligated, however, to make any debt service payments on any Obligations including the Master Notes. The obligations of the Obligated Group Members to pay or cause to be paid the principal of and premium, if any, and interest on the Master Notes will not be secured by the Gross Revenues of any Designated Affiliate. The Combined Group Agent has covenanted in the Master Indenture to cause each Controlling Member to cause each of its Designated Affiliates (subject to legal, regulatory, contractual and organizational limitations) to pay, loan or otherwise transfer, in accordance with the Master Indenture, such amounts as are necessary to duly and punctually pay the principal of, premium, if any, and interest on all Outstanding Obligations and any other payments due under any Obligation, on the dates, at the times and at the places and in the manner provided in such Obligations, the applicable Supplemental Indenture and the Master Indenture, when and as the same become payable, whether at maturity, upon call for redemption, by acceleration of maturity or otherwise.

In addition to being designated as Designated Affiliates, Affiliates of TJU and other Persons may become subject to the provisions of the Master Indenture or released from the provisions thereunder, subject to meeting certain conditions and/or tests as described herein. See “Addition and Release of Entities with Respect to the Requirements of the Master Indenture” below and “APPENDIX D – THE MASTER INDENTURE” attached hereto.

Affiliates who have not become Members of the Obligated Group have not pledged their Gross Revenues for the benefit of the Master Trustee and Holders of Obligations and have not agreed to comply with the covenants of the Master Indenture. Designated Affiliates also have not pledged their Gross Revenues for the benefit of the Master Trustee and Holders of Obligations, but the Controlling Member of a Designated Affiliate has covenanted to cause such Designated Affiliates to comply with the covenants of the Master Indenture.

The Master Indenture defines Affiliate and Designated Affiliate to the following effect:

“Affiliate” means any Person that, directly or indirectly, controls or is controlled by or is under common control with TJU (Combined Group Agent); and the term “control” (and correlative terms) as used with respect to any Person means the power, directly or indirectly either to (a) vote 50% or more of securities having ordinary voting power for the election of directors, trustees or the similar governing body of such Person or (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

“Designated Affiliate” means any Person which has been designated as such in accordance with the Master Indenture so long as such Person’s status as a Designated Affiliate has not been terminated as provided in the Master Indenture.

See “APPENDIX C – “PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS” and “APPENDIX D – “THE MASTER INDENTURE” attached hereto for the proposed forms of the Bond Indentures and the Loan Agreements and a copy of the Master Indenture.

Certain Covenants of the Obligated Group under the Master Indenture

Joint and Several Obligations of the Members of the Obligated Group. The obligations, agreements, covenants and restrictions of the Master Indenture are joint and several obligations, agreements and covenants of and restrictions relating to the Members of the Obligated Group.

Gross Revenue Pledge. In order to secure the prompt payment of amounts due on all Obligations (including the Master Notes) issued under the Master Indenture, the Members of the Obligated Group have granted to the Master Trustee, for the benefit of holders of Obligations and other Parity Indebtedness, a security interest in their Gross Revenues.

“Gross Revenues” as defined under the Master Indenture consist of all receipts, revenues, income and other moneys received by or on behalf of each Member of the Obligated Group, and all rights to receive the same, whether in the form of accounts, accounts receivable, deposit accounts, contract rights, chattel paper, instruments, documents, general intangibles, letter of credit rights, investment property or other rights, and the proceeds thereof, and insurance thereon (all terms which are used in such definition which are defined in Uniform Commercial Code of the Commonwealth (the “UCC”) have the same meanings in such definition as defined in the UCC, unless the Master Indenture provides otherwise), whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by a Member of the Obligated Group, and including all Swap Receipts and Swap Termination Payments (as such terms are defined in the Master Indenture) payable to a Member of the Obligated Group; provided, however, that there shall be excluded from Gross Revenues any Excluded Property.

“Excluded Property” is defined under the Master Indenture to mean (i) any assets of “employee pension benefit plans,” including “multi-employer plans,” as defined in the Employee Retirement Income Security Act of 1974, as amended, or any similar funds established for provision of pension or other post-retirement benefits, (ii) any assets of a self-insurance trust which prohibits any application of such assets for purposes which are not related to claims as defined in the governing trust document, and (iii) all endowment funds and property derived from gifts, grants, research contracts, bequests, donations and contributions heretofore or hereafter made to or with any Member of the Combined Group that are specifically restricted by the donor, testator or grantor to a particular purpose inconsistent with the payment of Debt Service Requirements on Obligations, and the income and gains derived therefrom, if so restricted.

The pledge by the Members of the Obligated Group of their Gross Revenues will secure the payments under the Master Notes with respect to the Bonds on a parity basis with the master notes, if issued, related to the Other Series 2024 Bonds and all other outstanding Obligations (other than Subordinated Obligations) and Parity Indebtedness heretofore issued or incurred in accordance with the Master Indenture. See “OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP” herein for a description of the Indebtedness secured by Obligations issued pursuant to the Master Indenture and other outstanding Indebtedness of the Obligated Group.

Such pledge by the Members of the Obligated Group of their Gross Revenues also secures any additional Obligations and Parity Indebtedness secured from time to time under the Master Indenture. See “SECURITY AND SOURCES OF PAYMENT – Additional Obligations — Long Term Indebtedness” herein for a description of the Master Indenture provisions governing the incurrence of additional Long Term Indebtedness and “SECURITY AND SOURCES OF PAYMENT — Direct Placement Bonds” herein for a description of certain provisions governing the Direct Placement Bonds (as defined herein). See also “APPENDIX D – “THE MASTER INDENTURE” attached relating to the issuance of Obligations and the incurrence of Indebtedness by the Members of the Obligated Group.

Negative Pledge. Each Member of the Obligated Group agrees that it will not create, assume or suffer to exist any Lien upon the Gross Revenues or the Property of the Obligated Group, except for Permitted Encumbrances. See “APPENDIX D — THE MASTER INDENTURE.

The payments due under the Master Notes related to the Bonds and the other Indebtedness evidenced or secured by other Obligations issued under the Master Indenture, including the Existing Swaps (as defined herein), are not secured by a mortgage on any real property of the Obligated Group. See “OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP — Interest Rate Swaps” herein for a description of the Existing Swaps.

Debt Service Coverage Ratio. Pursuant to the Master Indenture, within 180 days after the end of each Fiscal Year, TJU, as the Combined Group Agent, shall compute the Debt Service Coverage Ratio for such Fiscal Year and furnish a Certificate of the Combined Group Agent setting forth such computations to the Master Trustee.

The Combined Group Agent covenants and agrees that, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to covenant and agree that, if at the end of any Fiscal Year the Debt Service Coverage Ratio shall have been less than 1.10 to 1.0, it will use its best efforts to adopt a budget for the current Fiscal Year that will result in the Debt Service Coverage Ratio for such Fiscal Year to be at least 1.10 to 1.0. If the Debt Service Coverage Ratio is less than 1.0 for any Fiscal Year, the Combined Group Agent will engage an Independent Consultant to advise the Combined Group on possible steps to take to enhance future revenues and/or reduce future expenses in order to achieve a Debt Service Coverage Ratio not less than 1.10 to 1.0 in the future. Failure to maintain a Debt Service Coverage Ratio equal to 1.10 shall not constitute an event of default so long as: (a) the Combined Group Agent engages an Independent Consultant as/when required and considers such Independent Consultant's recommendations, and (b) Liquid Unrestricted Net Assets are greater than 25% of the Outstanding Long Term Indebtedness. Copies of the recommendations of the Independent Consultant are required to be filed with the Master Trustee.

Notwithstanding the foregoing, if such failure to maintain a Debt Service Coverage Ratio of 1.10 is a direct or indirect result of a Force Majeure Event, as determined in the sole discretion of the Combined Group Agent, then the Combined Group Agent shall not be required to retain an Independent Consultant for the purposes described above. The Combined Group Agent shall deliver a Certificate of the Combined Group Agent to the Master Trustee stating the nature of the Force Majeure Event and describing the steps being taken with respect to the rates, fees and charges or expenses and methods of operation and other factors affecting its financial condition in order to improve the Debt Service Coverage Ratio for the then current Fiscal Year.

"Force Majeure Event" is defined in the Master Indenture to mean any of the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; validly issued orders of any kind of the government of the United States of America, the state or states in which a Member of the Combined Group is doing business, or any of their departments, agencies, political subdivisions or officials, or any civil or military authority, imposed due to factors not within the control of such Member of the Combined Group and having a material effect on its ability to carry out its agreements under the Master Indenture; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or similar acts or events, other than financial inability, not within the control of such Member of the Combined Group.

Option of the Combined Group Agent in Complying with Certain Financial Covenants. Under the Master Indenture, in computing or calculating Adjusted Unrestricted Expenses, Adjusted Unrestricted Revenues, Days Cash On Hand Ratio, Debt Service Coverage Ratio, Liquid Unrestricted Net Assets, Operating Assets, Total Unrestricted Expenses, Total Unrestricted Revenues, Unrestricted Net Assets, and other quantitative financial tests or provisions, the Obligated Group, at the option of the Combined Group Agent, may, unless the context specifically requires otherwise, utilize financial and other information either (i) with respect to the Members of the Obligated Group in the aggregate, (ii) with respect to the Members of the Combined Group in the aggregate, or (iii) with respect to the System, on a consolidated basis, such percentage to be calculated in a manner that excludes intercompany eliminations from the numerator of such calculation. See "APPENDIX D – THE MASTER INDENTURE".

Other Covenants. The Master Indenture also sets forth various covenants and other provisions applicable to the finances and operations of the Obligated Group. Such provisions address, among other things, (a) the incurrence of additional Indebtedness secured by Gross Revenues of the Obligated Group on a parity basis with, or subordinated basis to, the Master Note with respect to the Bonds, the master note, if issued, with respect to the Other Series 2024 Bonds, the existing Obligations and any additional Obligations issued from time to time under the Master Indenture, (b) the incurrence and securing of Swaps, including, subject to certain conditions, the securing of Swap Payments on a parity basis with Obligations issued from time to time under the Master Indenture, (c) the incurrence of Short Term Indebtedness, (d) requirements related to the consolidation, merger or transfer of all or substantially all of the assets of entities subject to the Master Indenture, (e) limitations on certain dispositions of real and personal property (including cash), (f) Permitted Encumbrances, and (g) the addition of persons as Members for purposes of the Master Indenture, the release of any Obligated Group Member from its obligations under the Master Indenture (other than the

Combined Group Agent (currently, TJU)) and the designation of entities as “Designated Affiliates.” For more detail concerning the provisions of the Master Indenture, see “APPENDIX D — THE MASTER INDENTURE”.

Direct Placement Bonds

The (i) \$35,125,000 Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015C (“Series 2015C Bonds”), (ii) \$34,875,000 Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015D (“Series 2015D Bonds”), (iii) \$20,950,000 Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015G (“Series 2015G Bonds”), (iv) \$50,000,000 Philadelphia Authority for Industrial Development Thomas Jefferson University Variable Rate Revenue Bonds, Series 2017C (“Series 2017C Bonds”), and (v) Carbon County Hospital Authority Hospital Revenue Bonds, Series 2022A (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of \$42,500,000 (“LVHN Series 2022A Bonds”) (collectively, the “Direct Placement Bonds”) were purchased by various commercial banks (collectively, the “Direct Purchasers”). The Direct Placement Bonds are secured under the Master Indenture; and the Direct Purchasers are secured by Obligations issued under the Master Indenture and have the benefit of the same covenants pursuant to the Master Indenture. For certain additional information regarding the outstanding Direct Placement Bonds, see “OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP” herein.

Certain of such Direct Purchasers are affiliates of the Underwriters (as defined herein) of the Bonds.

Interest Rate Swaps

TJU and LVHN previously have entered into derivative transactions for the purpose of reducing the impact of fluctuations in interest rates under the terms of various interest rate swap contracts (collectively, the “Existing Swaps”). For a further description of the Existing Swaps see “INDEBTEDNESS - Interest Rate Derivatives” in APPENDIX A hereto.

Under certain circumstances, the Existing Swaps may be terminated early, in which case TJU may become obligated to make a substantial payment to one or more swap counterparties. In certain circumstances, TJU may have an obligation under the swaps to post collateral with the swap counterparties depending, among other things, on the then-current bond ratings and the then-current mark-to-market value of the swaps and subject to compliance with the Master Indenture. For information about the fair values of the Existing Swaps as of June 30, 2024 see Note 14 in “APPENDIX B-1 – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THOMAS JEFFERSON UNIVERSITY AS OF JUNE 30, 2024 AND 2023” and Note 7 in “APPENDIX B-2 – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF LEHIGH VALLEY HEALTH NETWORK AS OF JUNE 30, 2024 AND 2023” attached hereto. The Master Indenture provides that Swap Termination Payments only may be secured as Subordinated Obligations under the Master Indenture, but may come due without resulting in an acceleration of the maturity of the other then outstanding Obligations. For a further description of the provisions of the Master Indenture relating to the incurrence and securing of Swaps, including, subject to certain conditions, the posting of collateral to secure Swaps, see “APPENDIX D - THE MASTER INDENTURE” and Note 14 in “APPENDIX B-1 - CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THOMAS JEFFERSON UNIVERSITY AS OF JUNE 30, 2024 AND 2023” and Note 7 in “APPENDIX B-2 – CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF LEHIGH VALLEY HEALTH NETWORK AS OF JUNE 30, 2024 AND 2023” attached hereto.

Additional Long Term Indebtedness

Pursuant to the Master Indenture, the Obligated Group may not incur additional Long Term Indebtedness (whether through the creation of new Indebtedness, the assumption of existing Indebtedness or the guaranteeing of any new or existing Indebtedness) unless the Master Trustee receives, among other items, the following.

- (a) a Certificate of TJU (as the Combined Group Agent) stating that (i) the proceeds of the Indebtedness, together with other available moneys, is expected to be sufficient for completion of the applicable project, and (ii) immediately following the incurrence of the Long Term Indebtedness and the application of the proceeds thereof, the Obligated Group will not be in default in the performance or observance of

any covenant or condition to be performed by it under the Master Indenture and no Event of Default under the Master Indenture shall exist;

- (b) a Certificate of TJU (as the Combined Group Agent) demonstrating that either: (i) immediately following the incurrence of the Long Term Indebtedness and the application of the proceeds thereof, the Liquid Unrestricted Net Assets will be at least equal to 50% of the principal amount of Long Term Indebtedness to be Outstanding; or (ii) the Net Revenues for the preceding Fiscal Year (assuming that the Long Term Indebtedness in question was incurred on the last day of such Fiscal Year in question and the proceeds of such Long Term Indebtedness were applied on the last day of such Fiscal Year in question) will be equal to at least 110% of the Maximum Annual Debt Service on all Outstanding Long Term Indebtedness for such testing period; and
- (c) a Certificate of TJU (as the Combined Group Agent) demonstrating that immediately following the incurrence of the Long Term Indebtedness and the application of the proceeds thereof, the Maximum Annual Debt Service Requirements on all outstanding Long Term Indebtedness will not exceed an amount equal to 10% of the Total Unrestricted Expenses.

In connection with a Person's becoming a Member of the Obligated Group, the Obligated Group may secure any Indebtedness of such Person as Parity Indebtedness or as Subordinated Obligations under the Master Indenture so long as the Indebtedness in question could be incurred and secured in accordance with the other provisions of the Master Indenture.

See "APPENDIX D — THE MASTER INDENTURE" attached hereto for a further description of provisions of the Master Indenture permitting the incurrence of additional types of Long Term Indebtedness without complying with, the requirements described in subparagraphs (b) and (c) above including: (a) Indebtedness for the completion of the construction, renovation or equipment of Operating Assets; (b) refunding Indebtedness that is certified to be in the best interest of the Obligated Group or the System in a Certificate of the Combined Group Agent delivered to the Master Trustee; and (c) Indebtedness incurred and outstanding in an amount not in excess of five percent of the Net Assets of the System for the preceding Fiscal Year end.

Addition and Release of Entities with Respect to the Requirements of the Master Indenture

The following generally describes the requirements of the Master Indenture governing the addition and release of entities as Members of the Obligated Group. For a further description of such provisions, see "APPENDIX D – THE MASTER INDENTURE" attached hereto.

The Master Indenture, depending on particular circumstances, will either require or allow a new or existing Affiliate or other Person to become bound by the provisions of the Master Indenture. In connection with any actions relating to joining or releasing a Person from the requirements of the Master Indenture, TJU must demonstrate that after giving effect to the action in question, the Financial Addition Test or Financial Release Test described below, as applicable, has been met.

TJU may not be released from any of the requirements under the Master Indenture. See "New Obligated Group and New Master Indenture" below regarding provisions allowing for the replacement of the Master Indenture with a substitute master trust indenture.

Financial Addition Test. With respect to the addition of a person as a Member of the Obligated Group, TJU, as the Combined Group Agent, is required to deliver to the Master Trustee a Certificate demonstrating that either:

- (a) the Debt Service Coverage Ratio (calculated as if such Person were an Obligated Group Member) for the Fiscal Year immediately preceding the Fiscal Year in which such Person is proposed to be added as a Member of the Obligated Group was at least 1.50, or
- (b) the Debt Service Coverage Ratio (calculated as if such Person were an Obligated Group Member) for the two most recent Fiscal Years immediately preceding the Fiscal Year in which such Person is proposed to

be added as a Member of the Obligated Group was in each such preceding Fiscal Year at least 1.10, and the Debt Service Coverage Ratio (calculated as if such Person were a Member of the Obligated Group) is forecasted in a report prepared by a Consultant to be at least 1.40 for each of the two complete Fiscal Years succeeding the Fiscal Year in which such Person is proposed to be added as an Obligated Group Member (the foregoing requirements, the “Financial Addition Test”).

Financial Release Test. With respect to the release of a person (other than the Combined Group Agent) as a Member of the Obligated Group, TJU, as the Combined Group Agent, is required to deliver to the Master Trustee a Certificate demonstrating that:

- (a) either the Debt Service Coverage Ratio (calculated assuming such Person was not an Obligated Group Member) for the most recent Fiscal Year immediately preceding the Fiscal Year in which such Person is proposed to be removed as a Member of the Obligated Group is, in such preceding Fiscal Year, greater than 1.10; or the Debt Service Coverage Ratio (calculated assuming that such Person is not an Obligated Group Member) for the next two succeeding Fiscal Years immediately subsequent to the Fiscal Year in which such Person is proposed to be removed as a Member of the Obligated Group is forecasted by TJU, as the Combined Group Agent, in a Certificate to be at least equal to 1.25; and
- (b) for the Fiscal Year immediately preceding the Fiscal Year in which such Person is proposed to be removed as an Obligated Group Member (calculated assuming that such person was not a Member of the Obligated Group) the Days Cash on Hand Ratio was not less than 75 days (the foregoing requirements, the “Financial Release Test”).

If the Obligated Group Member to be released from the Obligated Group is a party to any Related Loan Documents with respect to Related Bonds (e.g., the Bonds) which remain outstanding, another Member of the Obligated Group is required to issue an Obligation under the Master Indenture to evidence or assume the obligation of the Obligated Group in respect of such Related Bonds.

Addition - General Provisions. Any Person may become a Member of the Obligated Group under the Master Indenture upon compliance with certain conditions, including, among others: that the Master Trustee receives any agreements evidencing the pledge to the Master Trustee of such Person's Gross Revenues and that TJU, as the Combined Group Agent, delivers to the Master Trustee a Certificate which demonstrates that, after giving effect to the new Person becoming an Obligated Group Member, the Financial Addition Test would be met.

Release - General Provisions. Generally, any Member of the Obligated Group other than TJU may be released from its obligations and liabilities under the Master Indenture, and upon such release shall cease to be an Obligated Group Member thereunder, upon compliance with certain conditions including: that TJU, as the Combined Group Agent, deliver to the Master Trustee a Certificate which demonstrates that, after giving effect to the release of such person as an Obligated Group Member, the Financial Release Test would be met.

For a further description of the provisions relating to the addition and release of Persons as Obligated Group Members with respect to the requirements of the Master Indenture generally described under this caption, see “APPENDIX D - THE MASTER INDENTURE” attached hereto.

New Obligated Group and New Master Indenture

The Master Indenture provides for effecting the affiliation of the Obligated Group, any Members of the Obligated Group or any Designated Affiliates with another entity or entities and the inclusion of the Obligated Group, any Members of the Obligated Group or any Designated Affiliates in another obligated group (the “New Obligated Group”) under a new master trust indenture (the “New Master Indenture”) executed by the members of the New Obligated Group and an independent corporate trustee (the “New Master Trustee”) (such transaction is referred to collectively in the Master Indenture as the “Obligated Group Transaction”) subject to certain conditions. Such conditions include, among others: (1) the New Obligated Group satisfying certain minimum ratings requirements for (i) new or replacement obligations issued by the New Obligated Group under the New Master Indenture to secure Indebtedness or Related Bonds (“Replacement Obligations”) and (ii) Related Bonds of the New Obligated Group, (2)

the Combined Group Agent delivering a certificate demonstrating that after giving effect to the issuance of Replacement Obligations, and assuming the New Obligated Group constituted the Obligated Group under the Master Indenture, the New Obligated Group could meet certain tests for the incurrence of additional Long-Term Indebtedness, and (3) the New Master Indenture containing a pledge of Gross Revenues substantially similar to the pledge of Gross Revenues in the Master Indenture as of the date thereof. See also “APPENDIX D - THE MASTER INDENTURE” attached hereto.

POTENTIAL FOR BOND INSURANCE

TJU is considering obtaining bond insurance for some or all of the Bonds, but has not made a final decision as of the date of this Preliminary Official Statement. Any bond insurance, if accepted, could be for all or a portion of the Bonds. The decision whether to accept bond insurance, if offered, will be made at or prior to the time of pricing and, if insurance is accepted, will be reflected in the final pricing wire and in the final Official Statement with respect to the Bonds.

BONDHOLDERS’ RISKS

The Members of the Obligated Group are subject to numerous known and unknown risks, many of which are described below and elsewhere in this Official Statement. Any of the events described below could have a material adverse effect on the Members of the Obligated Group’ business, financial condition and results of operations. Additional risks and uncertainties that the Members of the Obligated Group are not aware of, or that they currently deem to be immaterial, could also impact their businesses and results of operations.

The risks described herein are not exhaustive of the risks associated with an investment in the Bonds. Bondholders are advised to read the entire Official Statement, including the appendices hereto.

General

Whether the Obligated Group will be able to make payments on the Master Notes when due will depend on a number of different factors, including but not limited to:

- how capably the Obligated Group is managed,
- economic conditions,
- competition from other health care providers and physician owned services,
- future federal and state regulation, enforcement and funding of health care activities, employment activities, environmental compliance, and tax exempt status,
- third-party payor policies and contract negotiations,
- the labor market for nurses and other needed employees,
- natural and health disasters causing a suspension of business,
- the rate at and extent to which alternative care methods are developed,
- counterparty risk on interest rate hedges,
- the management and future performance of the Obligated Group’s investments, and
- other factors that are unpredictable.

These factors, among others, should be considered in evaluating the ability of the Members of the Obligated Group to make payments sufficient to pay the Master Notes. These factors are discussed in the following sections.

The Obligated Group May Be Adversely Affected by Health Care Reform Legislation in Ways and To an Extent That Cannot Be Predicted

Participation in any federal health care program is heavily regulated. Providers and suppliers that participate in the Medicare and Medicaid programs must agree to be bound by the terms and conditions of the programs, such as meeting quality standards for rendering covered services and adopting and enforcing policies to protect patients from certain discriminatory practices, and must disclose certain ownership interests and/or managing control information. If a health care entity fails to substantially comply with any applicable conditions of participation in the Medicare and

Medicaid programs or performs certain prohibited acts, the entity's participation in these programs may be terminated, and civil and/or criminal penalties may be imposed.

A significant portion of Jefferson's revenues are derived from the inpatient and outpatient treatment of patients at each of the hospitals identified in Appendix A hereto (collectively, the "Jefferson Hospitals") by members of Jefferson's medical staff members. The discussion herein describes risks associated with certain existing federal and state laws, regulations, rules, and governmental administrative policies and determinations to which the Jefferson Hospitals and the healthcare industry are subject. While these are regularly subject to change, many of the existing provisions were enacted by or promulgated pursuant to the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the "Reform Acts"). It is not possible to predict with any certainty whether or when the Reform Acts or any specific provision or implementing measure will be repealed, withdrawn or modified in any material respect, but the federal government could enact legislation, withdraw, modify or promulgate rules, regulations and policies, or make determinations affecting the healthcare industry and the Jefferson Hospitals, any of which individually or collectively could have a material adverse effect on the Jefferson Hospitals' operations, financial condition and financial performance. Therefore, the following discussion should be read with the understanding that significant changes may occur in the foreseeable future in many of the statutory and regulatory matters discussed.

The Reform Acts, enacted in March 2010, address almost all aspects of hospital and provider operations and health care delivery, and have changed and are changing how health care services are covered, delivered, and reimbursed. These changes have resulted and will result in new payment models with the risk of lower health care provider reimbursement from Medicare, utilization changes, increased government enforcement and the necessity for health care providers to assess, and potentially alter, their business strategy and practices, among other consequences. While many providers have received and will receive reduced payments for care, millions of previously uninsured Americans may have coverage. "Health insurance exchanges" have and could continue to fundamentally alter the health insurance market and negatively impact health care providers, enabling insurers to aggressively negotiate rates.

Some of the provisions of the Reform Acts took effect immediately or within a few months of final approval, while others were or have been phased in over time, ranging from one year to ten years. Because of the complexity of the Reform Acts generally, additional legislation may be considered and enacted over time. The Reform Acts have also required, and will continue to require, the promulgation of substantial regulations with significant effects on the health care industry. For example, cost-cutting provisions to the Medicare program include reduction in Medicare market basket updates to hospital reimbursement rates, additional reductions to or elimination of Medicare reimbursement for certain patient readmissions and hospital-acquired conditions, as well as anticipated reductions in rates paid to Medicare managed care plans that may ultimately be passed on to providers. Industry experts also expect that government cost reduction actions may be followed by private insurers and payors.

Beginning in 2014, the Reform Acts authorized the creation of federal and state "health insurance exchanges," marketplaces in which health insurance may be purchased by certain groups and segments of the population, expanded the availability of subsidies and tax credits for premium payments by some consumers and employers, and required that certain terms and conditions be included by commercial insurers in contracts with providers. In addition, the Reform Acts imposed many new obligations on states related to health insurance. The health insurance exchanges may have a positive impact for hospitals by increasing the availability of health insurance to individuals who were previously uninsured. Conversely, health insurance exchanges may have a negative financial impact on health care providers to the extent (1) insurance plans purchased on the exchanges reimburse providers at lower rates or (2) high deductible plans offered on the exchanges become more prevalent and lead to lower inpatient volumes as patients choose to forgo medical treatment.

Commencing October 1, 2012, the Reform Acts established a value-based purchasing system for hospitals under the Medicare program, which was designed to provide incentive payments to hospitals contingent on satisfaction of specified performance measures related to common and high-cost medical conditions, such as cardiac, surgical and pneumonia care. The Reform Acts also fund various demonstration programs and pilot projects and other voluntary programs to evaluate and encourage new provider delivery models and payment structures, including "accountable care organizations" ("ACOs") and bundled provider payments. CMS had set a goal of tying 50% of traditional Medicare payments to quality or value through alternative payment models such as ACOs, bundled payment arrangements or integrated care demonstrations by the end of 2018. In 2019, CMS (through the Health Care Payment

Learning and Action Network initiative) revised this goal and currently intends to have 100% of both traditional Medicare and Medicare Advantage, as well as 50% of Medicaid payments tied to two-sided risk alternative payment models by the end of 2025. The outcomes of these projects and programs, including the likelihood of them being made permanent or expanded or their effect on health care organizations' revenues or financial performance, cannot be predicted.

The Reform Acts contain amendments to existing criminal, civil and administrative anti-fraud statutes and increases in funding for enforcement and efforts to recoup prior federal health care payments to providers. Under the Reform Acts, a broad range of providers, suppliers and physicians are required to adopt a compliance and ethics program. While the government has already increased its enforcement efforts, failure to implement certain core compliance program features provides new opportunities for regulatory and enforcement scrutiny, as well as potential liability if an organization fails to prevent or identify improper federal health care program claims and payments.

The Reform Acts expanded access to Medicaid and the scope of services covered thereunder. The Reform Acts gave states the option to expand Medicaid eligibility to non-elderly, non-pregnant individuals who were not otherwise eligible for Medicare if they have incomes of less than 133% of the federal poverty level. To assist states with the cost of covering such newly eligible individuals, the federal government agreed to pay 100% of the new cost for a limited number of years. The cost share decreased to 90% in 2020. This rate temporarily increased to 95% under the American Rescue Plan Act of 2021 for two years following a state's Medicaid expansion. To date, only ten states have not adopted Medicaid expansion: Alabama, Florida, Georgia, Kansas, Mississippi, South Carolina, Tennessee, Texas, Wisconsin and Wyoming. If a state chooses not to participate in the expanded Medicaid program, the net effect of the reforms in the Reform Acts could be significantly reduced. Additionally, Medicaid reimbursement rates differ by state and the effect of expanded Medicaid enrollment must be determined on a state-by-state basis.

Initiatives to incrementally repeal the Reform Acts, in whole or in part, to delay elements of implementation or funding, and to offer amendments or supplements to modify their provisions have been persistent. In October 2017, then-President Trump discontinued the Reform Acts' cost-sharing reduction (CSR) payments which reimbursed health insurers for out-of-pocket cost reductions provided to low-income beneficiaries. On August 14, 2020, the United States Court of Appeals for the Federal Circuit affirmed a court order requiring the federal government to make relevant CSR payments to insurers. Future reductions in CSR payments may lead to higher out-of-pocket costs for beneficiaries or financial losses for health insurers, ultimately resulting in reduced revenue for health care providers. President Biden has taken executive actions intended to strengthen provisions of the Reform Acts, such as issuing an Executive Order on January 28, 2021, to reverse the impact of previous executive actions intended to weaken the Reform Acts.

In the December 2017 tax legislation and the January 2018 government spending authorization bills, Congress delayed taxes on medical devices for an additional two years and delayed the tax on highly valued employer group plans (known as the Cadillac Tax) until 2022 before the Cadillac Tax was permanently repealed in 2019. These taxes and penalties were intended to fund Reform Acts coverage subsidies. The Tax Cuts and Jobs Act, signed into law in late 2017, effectively eliminated the individual mandate by reducing the penalty to zero dollars effective January 1, 2019. This has the potential to cause adverse selection and rapid cost increases in the individual market as people in good health opt out of more expensive coverage and people with high-cost health conditions remain insured. Individual states, such as New Jersey in 2018, have implemented statewide individual mandates in response to the repeal of the federal mandate.

The federal government has also taken steps to reduce Medicaid expenditures by, among other steps, streamlining the process for states to obtain waivers of Medicaid coverage mandates. For example, CMS approved Kentucky's plan to introduce employment requirements for Medicaid eligibility. Other efforts to weaken the Reform Acts include the Trump administration's refusal to defend key parts of the Reform Acts in a federal case filed in Texas, where plaintiffs have argued that the ACA is unconstitutional as a result of the repeal of the individual mandate penalty. On December 14, 2018, the judge ruled in favor of the plaintiffs, holding the elimination of the tax penalty makes the individual mandate an unconstitutional exercise of Congress' taxing power, the basis for upholding the Affordable Care Act in the 2012 Supreme Court case *Nat'l Fed. of Independent Bus. v. Sebelius*. Because the judge found the balance of the Affordable Care Act was not severable from the unconstitutional individual mandate, the district court held the entire Affordable Care Act was unconstitutional. On appeal, the Fifth Circuit agreed with the

district court that the tax penalty is unconstitutional, however it did not decide that the rest of the ACA was also unconstitutional.

In an opinion issued on June 17, 2021, the Supreme Court reversed the Fifth Circuit decision without reaching the merits of the constitutionality or severability questions, finding the plaintiffs in the suit lacked standing, and left the Reform Acts undisturbed. Management of the Obligated Group cannot predict the effect of the elimination of the Individual Mandate Tax Penalty, the likelihood of any future Reform Acts repeal bills or other health care reform bills becoming law, or the subsequent effects of any such laws or legal decisions, though such effects could materially impact Jefferson Hospitals' business or financial condition. In particular, any legal, legislative or executive action that (1) reduces federal health care program spending, (2) increases the number of individuals without health insurance, (3) reduces the number of people seeking health care, or (4) otherwise significantly alters the health care delivery system or insurance markets, could have a material adverse effect on Jefferson Hospitals' business or financial condition. According to the US Census Bureau, 15.5% of Americans were uninsured when the Reform Acts passed in 2010, and 8.0% were uninsured in 2023.

Under the Reform Acts, hospitals are required to make public a list of their standard charges. CMS published a final rule for "Price Transparency Requirements for Hospitals to Make Standard Charges Public" (the "Price Transparency Rule") which took full effect on January 1, 2024. CMS requires disclosure in machine-readable format of charges for all hospital items and services and average charges for diagnosis-related groups. The Price Transparency Rule requires hospitals to make public their payor-specific negotiated rates, minimum negotiated rates, maximum negotiated rates, and cash for all items and services, including individual items and services and service packages, that could be provided by a hospital to a patient. In addition, under this rule, hospitals must either (i) make available an internet-based price estimator tool that provides an estimate of a patient's financial liability for 300 shoppable services (including 70 CMS-specified shoppable services) or (ii) make public charges, payor-specific negotiated rates, minimum negotiated rates, and maximum negotiated rates for 300 shoppable services (including 70 CMS-specified shoppable services) in a consumer-friendly manner. Hospitals must display the required information prominently, in a consumer-friendly manner, and clearly identify the hospital location with which the standard charge information is associated on a publicly available website. Failure to comply with these requirements may result in daily monetary penalties to the hospital. Initially, the penalty for noncompliance by a hospital was a maximum of \$109,500 annually. However, the Biden administration, in response to widespread noncompliance with the Price Transparency Rule, finalized a rule change in 2022 that increased the maximum penalty for hospitals with over 550 beds to \$2,007,500, and for hospitals with a range of 31 beds through 549 beds, a civil monetary penalty of \$10 per bed per day, with the total maximum penalty being just under \$2 million. These amounts are subject to statutory adjustment in the future. It is expected that given the prevalence of noncompliance with the Price Transparency Rule after its enactment, the federal government will increase enforcement of it. Accordingly, compliance with the Price Transparency Rule could have a material adverse effect upon the future financial condition and operations of Jefferson Hospitals, and competitively sensitive rate information is now available to competing hospitals and insurers as well as employer sponsors of group health plans, which could lead to market distortions and possible anti-competitive effects that could impact hospital rates and revenue. Publication of hospital standard charges (including negotiated rate) as required may result in changes to consumer choice in a manner that may negatively impact Jefferson Hospitals. Accordingly, compliance with these requirements could have a material adverse financial or operational impact on Jefferson Hospitals.

The Reform Acts could result in reductions in employer-sponsored medical plans if employers choose to pay a fee rather than provide medical insurance, and individuals could elect to be uninsured given the Reform Acts' prohibition against excluding coverage for prior conditions. Accordingly, even if the Reform Acts' provisions are fully implemented, there can be no assurance that Jefferson Hospitals will realize sufficient savings in bad debt and charity care expenses to offset reductions in payments for services to Medicare-insured patients. If the revenue received by Jefferson Hospitals for providing services to Medicare-insured patients is insufficient to cover the costs of furnishing the services, and if Jefferson Hospitals do not realize offsetting reductions in bad debt and charity care expenses, the Reform Acts will have a substantial adverse effect on the Jefferson Hospitals.

Relatedly, on December 27, 2020, the No Surprises Act became law pursuant to the Consolidations Appropriations Act, 2021 (the "No Surprises Act"). As of January 1, 2022, the No Surprises Act protects patients from surprise medical bills that arise from out-of-network emergency care, certain ancillary services provided by out-of-network providers at in-network facilities, and for out-of-network care provided at in-network facilities without the

patient's informed consent. Patients are required to pay only the in-network cost sharing amount, which is determined through a formula established by the DHHS Secretary and counts toward the patient's health plan deductible and out-of-pocket cost-sharing limits. Providers are not permitted to balance bill patients beyond the cost-sharing amount. Both providers and health plans are required to inform patients about these protections. Although surprise billing laws are important for protecting patients, they can reduce the bargaining power of hospitals with payors and ultimately lead to lower revenues. The ultimate effect of the No Surprises Act on Jefferson Hospitals' operations and financial condition cannot be predicted at this time.

The Reform Acts included various public disclosure obligations for financial arrangements between hospitals, physicians, imaging centers, and pharmaceutical and medical device manufacturers. To increase transparency regarding the financial relationships between hospitals, doctors, and healthcare manufacturing companies, the Physician Payment Sunshine Act requires that manufacturers of drugs, medical devices and biologicals that participate in federal health care programs must report certain payments and items of value given to physicians, like those employed by Jefferson Hospitals. This information is made publicly available on a CMS website. It is impossible to predict the full impact of this reporting on the Jefferson Hospitals.

Due to the complexity of federal healthcare policy, the pending nature of certain implementing regulations or interpretive guidance, and gradual implementation, as well as an inability to foresee how states, businesses and individuals will respond to the choices afforded them by the Reform Acts, management is unable to predict the full impact of the Reform Acts on the Jefferson Hospitals at this time.

The Obligated Group is Largely Dependent on, and Could be Adversely Affected by, Changes in Federal and State Funding

General. In recent years, health care providers, including the Jefferson Hospitals, have been under increasing economic pressure from third party payors, both governmental and private. These third party payors have limited the payment rates for hospital stays and procedures, creating incentives that reduce hospital inpatient utilization and increase the use of outpatient services, out-of-hospital care or lower cost facilities. Moreover, certain payers have begun to design benefit plans that shift more financial responsibility for the cost of health care services to patients. Shifts in third party payor policies, government program funding, and the need for providers to adapt to changing and complex payment arrangements have had and will continue to have a significant impact upon the economic performance of one or more of the Jefferson Hospitals.

In addition to these economic trends, health care providers, including the Jefferson Hospitals, are subject to extensive government regulation, which has increased and is likely to continue to increase the cost and risk of doing business. Federal and state governments frequently revise laws, regulations and policies related to services, accounting, billing and payment, and audit and monitor compliance with Medicare, Medicaid and other federal and state health care programs. Further, Medicaid and many private insurers require that a hospital be Medicare-certified to qualify for payment. As a result, the Jefferson Hospitals may be affected by changes in both the Medicare and Medicaid programs. Congress, Pennsylvania and New Jersey have all limited spending for these programs, limited payments to hospitals under the programs, and encouraged competition. Further payment and similar restrictions are expected to be enacted. The Reform Acts, described above, are intended to substantially reduce or slow the growth in federal spending, and further payment and similar restrictions could be enacted in the future. These and future changes could negatively affect one or more of the Jefferson Hospitals.

Medicare. Medicare is a federal health insurance system established in 1965. Under Medicare, the federal government pays physicians, hospitals and other providers directly for services provided to eligible elderly and disabled persons. The Jefferson Hospitals serve a very small number of Medicare patients and do not expect that to change significantly. Nonetheless, there are aspects of the Medicare regulations that affect how the Jefferson Hospitals are paid by the Pennsylvania Medical Assistance program. To remain qualified, Jefferson Hospitals may need to change its operations, policies and services from time to time to reflect any such changes in the conditions of participation in the Medicare program. Accordingly, changes in the Medicare program could significantly affect revenue received by the Jefferson Hospitals from other government payors.

Medicare is administered by CMS, which delegates to the states the responsibility for certifying those organizations eligible for Medicare reimbursement. In order to maintain certification, health care providers must meet

CMS's conditions of participation on an ongoing basis. Whether the conditions are met is determined by the state survey agency or another private accreditation body deemed to have certification authority. The conditions of participation may change. To remain qualified, the Jefferson Hospitals may need to change their operations, policies and services from time to time.

Inpatient Operating Costs. Medicare payments for operating costs incurred in the delivery of inpatient hospital services are based on PPS which pays acute care hospitals a fixed amount for each Medicare inpatient discharge based upon the diagnosis and certain other factors used to classify each patient into a diagnosis related group ("DRG"). DRG rates are adjusted annually by the use of an "update factor" based on the projected increase in a market basket inflation index which measures changes in the costs of goods and services purchased by hospitals, but the adjustments historically have not kept pace with inflation. Separate PPS payments are made for inpatient operating costs and inpatient capital-related costs. Some costs are also paid on the basis of "reasonable cost."

As a general matter, payments are not adjusted for actual costs, variations in intensity of illness, or length of stay. If a hospital treats a patient and incurs less cost than the applicable DRG-based payment, the hospital is entitled to retain the difference. Conversely, if a hospital's cost for treating the patient exceeds the DRG-based payment, the hospital generally will not be entitled to any additional payment. If, however, a case is unusually complex or expensive, it may qualify for an "outlier" payment, which is added to the DRG-adjusted base rate payment.

The PPS amount and adjustments described above are calculated using formulae established by CMS that are revised periodically pursuant to federal budgetary policy. There can be no assurance that payments received by Jefferson Hospitals will be sufficient to cover all actual costs of providing inpatient hospital services to Medicare patients.

Hospitals report certain quality measures under the Hospital Inpatient Quality Initiative. Hospitals that report these measures receive the full DRG inflation update - known as the "hospital market basket," while non-participating hospitals suffer a reduction equal to one-quarter of the applicable annual payment rate update. With varying effective dates, the annual Medicare market basket updates for many providers, including inpatient and outpatient hospital services, are calculated based on a ten-year average of national multifactor productivity and are reduced by specified percentages each year. Market basket adjustments for inpatient hospital care have averaged approximately 2% to 4% annual increases for recent fiscal years. The Affordable Care Act provided for reduced rates of increases under the annual market basket updates, based upon multifactor productivity adjustments. For fiscal year 2025, the market basket increase will be 3.4% (subject to 0.5% reduction for productivity adjustment for a total change of 2.9%). Some or all of the Jefferson Hospitals may participate in CMS's Hospital Quality Initiative. There is no assurance that future updates in DRG payments will keep pace with the increased costs in providing inpatient hospital services.

Joint Ventures. The Obligated Group participates in a number of joint ventures with tax-exempt or for-profit entities. Participation in joint ventures, particularly joint ventures with for-profit entities, that do not meet requirements of the Code, potentially may (a) result in a finding of inurement or undue private benefit which could result in loss of tax-exempt status, (b) result in a finding of an excess benefit transaction which could result in the imposition of an excise tax on the insider involved in the transaction or on the Obligated Group or their management that knowingly approved the transaction, or both, or (c) result in a finding that the activity is unrelated to the exempt purpose of the Obligated Group and a determination that certain income received by the tax-exempt organization from the joint-venture with the for-profit entity is taxable. Management of the Obligated Group does not believe that participation in any such presently existing joint venture will have a material adverse effect on the Obligated Group's tax-exempt status or financial condition.

Quality-Based Initiatives. CMS periodically promulgates regulations to implement various quality improvement and patient safety programs. Two programs that focus on and reward value of care as opposed to volume of care provided are the Medicare Hospital Value-Based Purchasing ("VBP") Program and the Hospital Readmissions Reduction ("HRR") Program.

Under the VBP program, CMS withholds a certain percentage of all qualifying hospitals' DRG payments and puts the withheld amounts into a fund. Under the Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System (IPPS/LTCH) Final Rule for FY 2025, CMS reduces participating hospitals' base operating DRG payments by 2 percent each fiscal year and redistributes all

amounts withheld based on how well a particular hospital scores in comparison to its peers based on certain healthcare quality and cost measures during a performance period, and how much they improved the quality of care provider to hospital patients over time. There can be no assurance that the Jefferson Hospitals' future scores will be enough to recoup the full percentage payment withholding or to qualify for a bonus under the VBP program.

Under the HRR Program, CMS requires a reduction to a hospital's base operating DRG payment to account for excess hospital readmissions for certain applicable conditions. The 21st Century Cures Act further directed CMS to assess hospital performance relative similarly situated (with regard to proportion of patients dually eligible for Medicare and full Medicaid benefits) peers beginning FY 2019. For fiscal year 2021 and subsequent fiscal years, CMS bases the HRR Program reduction on a hospital's risk-adjusted readmission rate during a three-year period for the following six conditions: acute myocardial infarction; chronic obstructive pulmonary disease ("COPD"); heart failure; pneumonia; coronary artery bypass graft; and elective primary total hip arthroplasty and/or total knee arthroplasty. The maximum penalty is capped at 3%. There can be no guarantee that the Jefferson Hospitals will be able to avoid penalties under the HRR program for excess readmissions.

Serious, Preventable Events. Since 2008, Medicare has not reimbursed hospitals for the increased costs associated with treating a Medicare beneficiary who acquires certain hospital-acquired conditions ("HAC") during an inpatient stay. Hospitals are further prohibited from billing Medicare beneficiaries for any charges associated with an HAC. The list of HACs has expanded to 14 categories. Under the HAC Reduction Program, HHS adjusts payments to hospitals that rank in the worst performing 25% with respect to HAC quality measures. Hospitals in the worst-performing quartile are subject to a 1.0 percent payment reduction to overall Medicare fee-for-service. While the Jefferson Hospitals currently have programs in place to monitor and prevent HACs, it is likely that Jefferson Hospitals, like almost all hospitals, will face reduced reimbursement at some point for costs associated with treating HACs.

Outpatient Services. Medicare payments for hospital outpatient services, including hospital operating and capital costs, also are established through a PPS methodology ("OPPS"). Under OPPS, procedures, evaluations and management services, and drugs and devices in outpatient departments are classified into one of approximately 750 groups called Ambulatory Payment Classifications ("APC"). Services provided within an APC are similar clinically and in terms of the resources they require. Using hospital outpatient claims data from the most recently available hospital cost reports, CMS determines the median costs for the services and procedures in each APC group. For calendar year 2025, CMS proposed updating OPPS payment rates for hospitals meeting applicable quality reporting requirements by 2.6 percent (based on a projected hospital market basket increase of 3.0 percent and 0.4 percent reduction for productivity adjustment).

OPPS includes additional adjustments for transitional pass-through payments and outlier payments. Transitional pass-through payments are costs associated with new technology items (drugs, biologicals and medical devices) that were not reflected in the data that CMS used to calculate OPPS payment rates, and are intended to allow for adequate payment of new and innovative technology until there is enough data to incorporate the costs for these items into the base APC group.

Under OPPS, a hospital with costs exceeding the applicable payment rate would incur losses on such services provided to Medicare beneficiaries. There can be no assurance that the hospital OPPS rate, which bases payment on APC groups rather than individual services, will be sufficient to cover all of the Jefferson Hospitals' actual costs of providing hospital outpatient services to Medicare patients, particularly with the increased development and deployment of high cost specialty drugs and therapies in the market.

Physician Payments. Payment for physician services is provided by Medicare Part B. Under Part B, physician services were reimbursed in an amount equal to the lesser of actual charges or the amount determined under a national fee schedule known as the resource-based relative value scale ("RBRVS"), which sets a relative value unit ("RVU") for each physician service that is then multiplied by a geographic adjustment factor and a nationally-uniform conversion factor, calculated utilizing the sustainable growth rate ("SGR") system, to determine the amount Medicare will pay for each service. RVUs for physician services are based on: (i) a work component intended to reflect the time and intensity of effort required to provide the service; (ii) a practice expense component, which includes costs such as office rents, allied health support salaries, equipment and supplies; and (iii) a component for the cost of malpractice insurance.

Medicare and Medicaid currently make payments (known as Disproportionate Share Hospital (“DSH”) payments) to hospitals that serve a disproportionate share of low income patients. Beginning in 2014, the Reform Acts incrementally reduced Medicare payments for disproportionate share hospitals by 75%, or \$49 billion by 2019. Congress has repeatedly delayed reductions to Medicaid DSH payments. For example, the Consolidated Appropriations Act, 2024, further delayed the implementation of Medicaid DSH payment reductions until January 1, 2025.

In February 2024, a CMS final rule implemented legislative changes to DSH payments, specifically concerning the treatment of third-party payments for the purposes of calculating Medicaid hospital-specific DSH limits. The final rule also revises regulatory payment and financing definitions and other regulatory language, refines administrative procedures and removes certain regulatory requirements related to the DSH payments. These and future changes could negatively affect the Jefferson Hospitals.

The Medicare Access and CHIP Reauthorization Act of 2015 (“MACRA”) established the Quality Payment Program (“QPP”), which repealed the sustainable growth rate methodology for updates to the Medicare Physician Fee Schedule (“PFS”), changed the way that Medicare rewards clinicians for services, streamlined existing quality and value programs, and provided for bonus payments to physicians and other clinicians for participating in certain payment models. The QPP provides incentive payments to eligible clinicians participating in Medicare Part B through two tracks: the Merit-based Incentive Payment System (“MIPS”) and Advanced Alternative Payment Models (“Advanced APMs”). Beginning in 2026, the PFS will be increased by (i) 0.25% annually for providers participating in MIPS, and (ii) 0.75% annually for providers participating in Advanced APMs.

MIPS, which is the “default track” under MACRA, provides eligible clinicians with an adjustment to their Medicare Part B reimbursement based on performance in four categories: Quality, Promoting Interoperability, Improvement Activities, and Cost. MIPS combines into a single program aspects of CMS’s prior quality and value programs, including the Physician Quality Reporting System, Medicare Electronic Health Records Incentive Program, and the Physician Value-Based Payment Modifier. MIPS eligible clinicians include physicians, physician assistants, nurse practitioners, clinical nurse specialists and certified registered nurse anesthetists. 2017 was the first MIPS performance period. CMS has since introduced a reporting framework for all MIPS, APMs (as defined below), as well as ACOs, named the “APM Performance Pathway” (“APP”). The APP is a single, pre-determined measure set available for MIPS and APM participants to report beginning in the 2021 performance year. CMS intends to replace the QPP’s traditional MIPS framework as early as 2027 with the adoption of the MIPS Value Pathways (“MVPs”) and the APP.

Advanced APMs are alternative payment models (“APMs”) that use certified electronic health record technology, provide for payment for covered professional services based on quality measures comparable to those in the quality performance category under MIPS, and either require that participating APM entities bear risk for financial losses of more than a nominal amount under the APM or be a type of Medical Home Model. Eligible clinicians who meet threshold Medicare participation levels in their Advanced APMs may be entitled to incentive payments. Providers participating in Advanced APMs receive a 5% lump sum incentive payment until 2024 and 3.5% the following year.

The QPP and other federal delivery reform initiatives evidence a rapid volume-value shift within Medicare and could present challenges for the Jefferson Hospitals and the employed or contracted clinicians with whom the Members of the Obligated Group partner to deliver care. The new quality reporting programs may negatively impact the reimbursement amounts received by the Jefferson Hospitals for the cost of providing physician services.

Current or new legislation that reduces Medicare payments could adversely affect the Jefferson Hospitals. CMS makes numerous payment policy changes for physician professional services from year to year. Some of those changes might have an adverse effect on the Jefferson Hospitals. There is no assurance that Jefferson Hospitals will be paid amounts that will reflect adequately its costs incurred in providing inpatient hospital services to Medicare beneficiaries, as well as any changes in the cost of providing health care or in the cost of health care technology being made available to Medicare beneficiaries. The ultimate effect on Jefferson Hospitals will depend on its ability to control costs involved in providing inpatient hospital services.

Provider-Based Standards. Certain outpatient services of Jefferson Hospitals are categorized as “provider-based” for reimbursement purposes. The Medicare program reimburses certain facilities and services (including, for example, physician offices and clinics) differently, depending upon whether they are “provider-based” or “freestanding.” A “provider-based” facility or service is an integral part of another provider, such as a hospital. Certain administrative costs and overhead of the provider organization must be allocated in part to the provider-based organization. “Freestanding” providers are not considered part of another provider for purposes of the Medicare program and stand on their own for reimbursement purposes. Off-campus hospital outpatient departments (“HOPDs”) established on or after November 2, 2015, are no longer eligible for payment under the outpatient PPS for non-emergency services. A hospital outpatient department is considered to be “off-campus” if it is located more than 250 yards from a main provider hospital or a remote location of a hospital. Instead, non-emergency services performed at these facilities will be paid under the Medicare PFS at 40% of the comparable OPFS rate. In the event that Jefferson Hospitals’ outpatient services billed on a provider-based basis are found to be out of compliance with the current provider-based regulations, TJU could be liable for Medicare overpayments. These developments may deter TJU from establishing any new off-campus provider-based outpatient departments.

Exclusions from Medicare and Medicaid Participation. OIG must exclude from federally funded governmental program participation, including Medicaid, for not less than five years, any individual or entity who has been convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare and/or Medicaid; any criminal offense relating to patient neglect or abuse in connection with the delivery of health care; felony fraud against any federal, state or locally financed health care program; or an offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. The OIG has the authority to exclude individuals and entities from participation in federal health care programs who are deemed “untrustworthy.” Additionally, there is a prohibition against employing providers and contracting with providers and vendors, including entities and individuals, who are on the OIG exclusion list. HHS also may exclude individuals or entities under certain other circumstances, such as for a conviction of fraud, theft, embezzlement, breach of fiduciary duty or other financial misconduct relating either to the delivery of health care in general or to participation in a federal, state or local government program. Exclusion means that no Medicare and/or Medicaid program payments may be made for any services rendered by an excluded party.

Any action to exclude Jefferson Hospitals from Medicare and/or Medicaid could have a significant adverse impact on TJU because no program payments can be made to any provider who is excluded. Additionally, Jefferson Hospitals regularly check the OIG exclusion list to ensure it is not contracting with or employing providers or vendors excluded from federally funded governmental program participation, including Medicaid. The Obligated Group believes its efforts are in compliance with the requirement that it ensure it does not employ or contract with any individual or vendor who is excluded from federal funded program participation, but there can be no assurance that these efforts will not fail to detect an individual provider or vendor employed or contracted by TJU who is excluded from federally funded governmental program participation. Such failure could have an adverse impact on the Obligated Group.

Medical Education Costs. Under PPS, teaching hospitals receive additional payments from Medicare for certain direct and indirect costs related to their graduate medical education (“GME”) programs. Direct GME payments compensate teaching hospitals for the cost directly related to educating residents such as the residents’ stipends and benefits, the salaries and benefits of supervising faculty, and allocated overhead costs. IME payments compensate teaching hospitals for the higher patient care costs they incur relative to nonteaching hospitals. Those IME payments are issued as a percentage adjustment to the PPS payments.

The calculation for both the direct part and the indirect part of Medicare payments for GME include certain limitations on the number and classification of full-time equivalent residents reimbursed by Medicare. PPS hospitals with residents in an approved GME program receive an additional payment for each Medicare discharge to reflect the higher patient care costs incurred by teaching hospitals relative to non-teaching hospitals.

The formulae used to determine payments for medical education do not necessarily reflect the actual costs of such education, and the federal government will continue to evaluate its policy on graduate medical education and teaching hospital payments. The CAA provided for additional GME payments to hospitals and additional residency positions, but regulatory proposals for these initiatives have not been finalized. There can be no assurance that

payments to Jefferson Hospitals under the Medicare program will be adequate to cover their direct and indirect costs of providing medical education to interns, residents, fellows and allied health professionals.

Medical Education Payments. Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. These payments are vulnerable to reduction or elimination. The direct and indirect medical education reimbursement programs have repeatedly emerged as targets in the legislative efforts to reduce the federal budget deficit. The formulae used to determine payments for medical education do not necessarily reflect the actual costs of such education, and the federal government will continue to evaluate its policy on graduate medical education and teaching hospital payments. The 2025 IPPS Final Rule and the Consolidated Appropriations Act, 2023 provided additional residency slots and funding for medical education. However, there can be no assurance that payments will be adequate to cover direct and indirect costs of providing medical education to interns, residents, fellows and allied health professionals. Additionally, these payments are vulnerable to reduction or elimination. There can be no assurance that medical education payments will remain at current levels

Hospitals that receive Children's Hospital Graduate Medical Education ("CHGME") payments for direct and indirect expenses associated with operating approved graduate medical residency training programs must qualify as a "children's hospital" under the Medicare regulations to qualify for grants for the training of medical residents. While statutory authorization for the CHGME program expired in 2011, the program has continued to receive funding through federal budgetary appropriations. Although the program has been funded through Fiscal Year 2025, and is expected to be funded for Fiscal Year 2026, there can be no assurance that CHGME funding will continue in its present form.

Medicare Advantage. Most individuals who are entitled to Medicare Part A benefits and enrolled in Medicare Part B may elect coverage under either the traditional Medicare fee-for-service program (Parts A and B) or a Medicare Advantage ("MA") Plan. An MA plan may be offered by a coordinated care plan (such as an HMO or a PPO), a provider sponsored organization ("PSO") (a network operated by health care providers rather than an insurance company), a private fee-for-service plan, or a combination of a medical saving account ("MSA") and contributions to an MA plan. Each MA plan, except an MSA plan, is required to provide benefits approved by the Secretary of HHS. An MA plan will receive a monthly capitated payment from HHS for each Medicare beneficiary who has elected coverage under the plan. Health care providers, such as Jefferson Hospitals, must contract with MA plans to treat MA enrollees at agreed upon rates or they may form a PSO to contract directly with HHS as an MA plan. Some or all of Jefferson Hospitals may contract with various MA plans.

The shift of Medicare eligible beneficiaries from traditional fee-for-service to MA programs was intended to increase competitive pressure to improve benefits, reduce premiums and generate cost reductions. However, because the cost of the MA programs was on average 114% higher than traditional fee-for-service, the Reform Acts amended some of the MA payment methodologies. Rate reductions and increased recoupment efforts in the MA program may have an impact on reimbursement from these insurance plans, which in turn may have a material negative impact upon the revenue of Jefferson Hospitals.

Pennsylvania Medical Assistance. Medical Assistance is a Commonwealth program administered in conformity with Title XIX of the Social Security Act ("Medicaid"). Medicaid is a jointly funded federal and state health insurance program for certain low-income and medically needy people. Under federal guidelines, each state establishes eligibility standards, scope of services, payment rates for services, and an administrative framework for management of the program. The Pennsylvania Department of Human Services ("PADHS") administers the Medicaid program in the Commonwealth.

In July 2010, the Medical Assistance Payment Modernization Act (Act 49) was enacted. Act 49 was designed to address the fact that Medical Assistance has historically paid low rates to Pennsylvania hospitals (about 75 cents for each dollar a hospital spent on inpatient care and about 54 cents for each dollar spent on outpatient care). Act 49 assessed a 3.22% fee on annual net inpatient revenue on all licensed acute care hospitals for three years beginning July 1, 2010. Act 49 modernized Pennsylvania's inpatient fee for service hospital payment system by establishing a uniform base rate for all hospitals using the most current cost information, and makes adjustments for differences in regional labor costs, teaching programs, and Medical Assistance volume. Act 49 also established enhanced hospital payments through the state's Medical Assistance managed care program, and secures additional matching Medicaid funds through the establishment of the Quality Care Assessment ("QCA"). The QCA is a tax on hospital net inpatient

revenues that allows the state to access additional federal dollars. Act 49 implemented a new clinical classification system (APR-DRG) in which payments more accurately reflect the levels of service and patient needs unique to Medical Assistance patients.

Act 92 of 2015 reauthorized the statewide hospital assessment for an additional three years, July 1, 2016 through June 30, 2018 at 3.71% of net inpatient revenues. Most recently, Pennsylvania's Act 15 of 2023 reauthorized the statewide hospital assessment through June 30, 2028 at 3.54% of the net inpatient revenue and 1.78% of net outpatient revenues for the current fiscal year (increasing to 4.36% and 2.20%, respectively, for the remaining fiscal years). Through the significant amount of revenue that the assessment raises, Pennsylvania has been able to maintain an updated inpatient payment system; to make changes to existing DSH payments and supplemental payments; and generate new payments where applicable. Pennsylvania utilizes revenue generated pursuant to such acts to update Medicaid claims pricing for inpatient hospital services, revise disproportionate share payments and increase reimbursement through the state Medicaid managed care plan, HealthChoices (see "Managed Care Medicaid Program: HealthChoices" below). Additionally, the City of Philadelphia renewed its own hospital assessment in 2024, which is expected to provide additional funding in the future related to the provision of care to Medical Assistance patients.

Pennsylvania initially expanded Medicaid eligibility for individuals with incomes below 138% of the FPL under a Medicaid demonstration waiver called Healthy Pennsylvania. In January 2015, Pennsylvania withdrew its waiver and implemented a traditional Medicaid expansion under HealthChoices. The transition from Healthy Pennsylvania to Health Choices was completed in the summer of 2015. Pennsylvanians ages 19 to 64 with incomes up to 138% of the FPL are eligible for coverage under HealthChoices. The reimbursement currently paid by the Medicaid program is likely to be subject to restrictions in the future, and there can be no assurance that such payments will be adequate to cover the cost of care for Medicaid beneficiaries in the future. Under the Reform Acts, states have the option to expand Medicaid eligibility to cover individuals with income under 133% of the Federal Poverty Level ("FPL"). The federal government initially covered the full cost of coverage expansion, and now covers 90% of such costs annually.

New Jersey FamilyCare. The New Jersey Department of Human Services ("NJ DHS") administers the Medicaid program in the State. In New Jersey, the vast majority of NJ FamilyCare beneficiaries are enrolled in managed care plans provided by one of five managed care organizations, which coordinate care for enrollees. In 1995, New Jersey began moving Medicaid beneficiaries in fee-for-service plans to managed care. Under managed care, beneficiaries enroll in health plans provided by a managed care organization. In October 2012, New Jersey received federal approval to reform its managed care system via a new Section 1115 demonstration. The state expanded Medicaid in 2014 (to adults with incomes up to 138% of the FPL) and now offer (in addition to existing inpatient and outpatient coverage) coverage for home health, long-term services and supports, behavioral health services, home and community-based services and other services under managed care.

Inpatient Services. Medicaid payment for acute care services in Pennsylvania is based on a diagnosis-specific prospective payment system ("PPS"). Under Pennsylvania's PPS, payments for hospital services are based on the classification of hospital discharges using All Patients Refined Diagnosis Related Groups ("APR-DRGs"). PADHS assigns an APR-DRG to each Medicaid patient discharge based on the patient's diagnosis, the procedures performed during the hospital stay, the patient's gender, the patient's age, and the patient's discharge status. PADHS determines a relative value for each APR-DRG based upon the value of the cost of hospital resources used to treat cases in that APR-DRG relative to the statewide average cost of hospital cases. A hospital's payment rate is determined based on a statewide average cost per discharge using the Medical Assistance cost report information. It is adjusted based on labor, medical education, capital, and MA dependency factors.

In New Jersey, for Medicaid-eligible patients not enrolled in a managed care program, hospitals are reimbursed for inpatient services using DRG rates. The DRG rates are based upon average cost of hospital care for Medicaid recipients at New Jersey hospitals. Because hospitals are reimbursed based upon the median per case rate, there can be no assurances that Medicaid revenues will cover expenses of Medicaid-eligible patients. Reductions in Medicaid payments and/or further managed care enrollment amongst Medicaid beneficiaries may reduce total reimbursement to hospitals. There can be no assurances that the Jefferson Hospitals can reduce costs associated with treating Medicaid patients to the extent necessary to offset potential reimbursement reductions.

Disproportionate Share Payments. The Pennsylvania Medicaid program provides for additional payments to providers that serve a disproportionate share of low income patients. As a “children’s hospital,” as defined under Medical Assistance regulations, TJU qualifies for these additional DSH payments based upon the number of low-income patients that it serves. There is no assurance that these payments in the future will adequately reimburse TJU for services rendered to low-income patients. Based on the assumption that the new coverage and access provisions of the Reform Acts will substantially reduce uncompensated care provided by hospitals, the Reform Acts provided for incremental decreases to Medicaid DSH payments by \$36 billion from 2018 through 2025. Twenty-five percent of estimated DSH funding under the traditional formula will continue to be paid to each DSH-eligible hospital. The remaining 75% will be reduced to reflect the impact of insurance expansion and then redistributed to hospitals as a new and separate uncompensated care payment based on hospitals’ uncompensated care. As amended by, among other laws, the Consolidated Appropriations Act, 2024 and the CARES Act, current law provides for total Medicaid DSH reductions of \$32 billion for Fiscal Years 2024 through 2027.

Capital Expenditures. Payment for capital costs (including depreciation and interest, but excluding such costs for moveable equipment) has been integrated into the prospective payment system as an add-on percentage to each hospital’s PPS rate. There is no assurance that Medicaid reimbursement levels for capital depreciation and interest will be adequate to satisfy the capital requirements of Jefferson Hospitals.

Outpatient Services. Medicaid generally pays for hospital outpatient services rendered based on the lower of the usual charge to the general public for the same service or the Medicaid maximum allowable fee, or the upper limit established by Medicare or Medicaid.

Outpatient Drug Discounts. Changes in Medicaid reimbursement for pharmaceuticals included in the Deficit Reduction Act of 2005 (“DRA”) now permit children’s hospitals to realize discounts under the 340B drug pricing program. The program limits the cost of drugs to federal purchasers and to certain grantees of federal agencies.

Managed Care Medicaid Program: HealthChoices. Under HealthChoices, Pennsylvania Medicaid recipients are required to enroll in managed care programs. Like any private managed care plan, HealthChoices programs attempt to negotiate lower fee schedules with their contracted healthcare providers. There can be no assurance that applicable Jefferson Hospitals will be successful in contracting with the assigned managed care organizations or that the reimbursements from these managed care organizations will be sufficient to cover the costs of delivering care to Pennsylvania’s Medicaid recipients at Jefferson Hospitals going forward.

Medicaid Conditions of Participation. Hospitals must comply with standards called “Conditions of Participation” in order to be eligible for Medicaid reimbursement. CMS is responsible for ensuring that providers meet the regulatory Conditions of Participation. Jefferson Hospitals are currently deemed to be in compliance with the Medicaid Conditions of Participation through its accreditation with The Joint Commission (a private nonprofit corporation that accredits health care programs and providers in the United States). Failure to maintain The Joint Commission accreditation or to otherwise comply with the Conditions of Participation could have a materially adverse effect on the continued participation in the Medicare and Medicaid programs, and ultimately on the revenues of Jefferson Hospitals. The Medicare Improvements for Patients and Providers Act of 2008 (“MIPPA”) revised hospital accreditation standards, revoking the exclusive deeming authority of The Joint Commission. While each hospital certified by The Joint Commission will continue to be certified for the duration of its accreditation, the process going forward has been opened to competition between accrediting organizations. It is not clear what effect, if any, this legislation will have on accreditation in the future.

Children’s Health Insurance Program. The Children’s Health Insurance Program (“CHIP”) is an insurance program for children whose families are financially ineligible for Medicaid, but cannot afford commercial health insurance. CMS administers CHIP and provides matching funds to states, but each state creates its own program based upon minimum federal guidelines or the state may apply for a waiver, which allows the state to create its own program using the federal funds, but often with different criteria for eligibility. CHIP insurance is provided through private health plans contracting with the state. Each health plan contracts with health care providers on terms to which they both agree, generally on terms similar to those employed by other managed care providers, as discussed below. The Reform Acts are expected to result in a substantial increase in the number of pediatric patients covered by CHIP. In 2023, Congress voted to extend CHIP through 2029. Enhanced Federal Medical Assistance Percentages for CHIP are in effect through FY 2025. When such funding expires, there can be no assurances that funding for an increase

will be reestablished at either a state or federal level, or that professional and facility reimbursement rates will not subsequently be reduced in efforts to manage costs. While generally considered to be beneficial for both patients and providers by reducing the number of uninsured children, it is difficult to assess the future fiscal impact of CHIP on payments to Jefferson Hospitals.

CHIP provides federal matching funds to states that cover 65% to 84% of the costs of health care coverage, primarily for low-income children.

Pennsylvania's CHIP program fully covers children and teens in households with income levels up to 208% of FPL, and subsidizes insurance coverage in households with income levels up to 314% of FPL. New Jersey's CHIP program fully covers children and teens in households with income levels up to 150% of FPL, and subsidizes insurance coverage in households with income levels up to 355% of FPL.

Audits. Most hospitals, including Jefferson Hospitals, are audited for compliance with the requirements for participation in the Medicare and Medicaid programs. If audits discover alleged overpayments, one or more of the Jefferson Hospitals could be required to pay a substantial rebate of prior years' payments. The federal government contracts with third-party "recovery audit contractors" on a contingent fee basis to audit the propriety of payments to Medicare and Medicaid providers. CMS employs Medicaid Integrity Contractors to audit payments of Medicaid claims and Zone Program Integrity Contractors to identify Medicare fraud and abuse. Consistent with the federal government's increased focus on recovery of overpayments, recent legislation has expanded the look-back period from three to five years, during which time previously paid claims may be audited and denied and corresponding funds recouped as overpayments. No Jefferson Hospital has received any claims denials or been a party to settlement negotiations outside of these routine audit processes. Management believes that it has reserved sufficiently for these actions and future audit adjustments. Nevertheless, ultimate liability could exceed reserves, and any excess could be substantial. Medicare and Medicaid regulations also provide for withholding Medicare and Medicaid payment in certain circumstances, which could adversely affect Jefferson Hospitals' cash flow.

CMS is reviewing health care providers that are receiving large proportions of their Medicare revenues from outlier payments. Health care providers found to have obtained inappropriately high outlier payments will be subject to further investigations by the CMS Program Integrity Unit and potentially the Office of the Inspector General. Medicare-participating hospitals are also subject to Recovery Audit Contractor ("RAC") audits. RAC auditors are authorized, in most cases, to look back three years from the date the claim was paid, and to review the appropriateness of each claim by applying the same standards and guidance as would a Medicare contractor. The Affordable Care Act expanded the scope of the RAC program to include Medicare Parts C and D and Medicaid. Medicaid RAC audit programs are overseen by states in accordance with federal guidelines. Medicare RAC recovery amounts have increased substantially over the last couple years. Although RACs are required to identify overpayments and underpayments, RACs have in practice collected significantly more in overpayments from providers than paid out underpayments to providers. Furthermore, the federal and state governments have developed numerous other audit and fraud enforcement programs over the past decade increasing the likelihood that health care entities, like the Jefferson Hospitals, participating in Medicare and Medicaid may be subject to audits, retroactive audit adjustments and repayments with respect to reimbursement. Federal and state efforts to take monies back from providers as well as related investigations and, in some cases, criminal prosecutions for overbilling are expected to be prevalent for years to come. It is impossible to predict the effect of such efforts as any resulting future payment adjustments and/or re-payments could be material. Under certain circumstances, payments made may be determined to have been made as a consequence of improper claims subject to the federal False Claims Act or other federal statutes, subjecting the provider to civil or criminal sanctions. Jefferson Hospitals received and responded to thousands of requests for charts in connection with past RAC audits. The RAC audits have been subject to criticism by the provider industry and CMS is making changes in response. In October, 2017, CMS expanded an alternative audit process, known as Targeted Probe and Educate ("TPE") examinations to the RAC program. Jefferson Hospitals expect to continue to receive TPE and other routine billing audits or examinations of some form from CMS in the future. There is no guarantee that Jefferson Hospitals will not be subject to a RAC recovery in the future. Increased RAC recoupment efforts and other audit programs may have a material impact upon the revenue of TJU.

If a Jefferson Hospital Improperly Provides or Claims Compensation for Services, It Could Lose Its Ability to Serve Medicare or Medicaid Beneficiaries or Incur Substantial Penalties

General. Health care fraud and abuse laws have been enacted at the federal and state levels. They generally regulate federal and state health care program (including Medicare and Medicaid) covered services furnished to program beneficiaries, and they impose penalties for improper billing and other abuses. Under these laws, health care providers may be punished for billing for services that were not provided, not medically necessary, provided by an improper person, accompanied by an illegal inducement to use or not use another service or product, or billed in a manner that does not comply with applicable government requirements. Congress has extended the scope of some fraud and abuse laws to include services provided to beneficiaries of private health care plans. Violations of these laws are punishable by a range of criminal, civil and administrative sanctions. If a Jefferson Hospital violates one of the fraud and abuse laws, among other possible sanctions, federal or state authorities could recover amounts paid to such Jefferson Hospital, exclude such Jefferson Hospital from participation in the Medicare/Medicaid programs, impose civil monetary penalties, and suspend Medicare/Medicaid payments. The federal government (and individuals acting on its behalf) has brought many investigations, prosecutions and civil enforcement actions under the fraud and abuse laws in recent years. In some cases, the scope of the fraud and abuse laws is so broad that they may result in liability for business transactions that are traditional or commonplace in the health care industry. In addition, enforcement activity against health care providers is increasing, and enforcement authorities are adopting more aggressive approaches. In the current regulatory climate, it is anticipated that many providers, including the Jefferson Hospitals, will be subject to investigation, audit or inquiry regarding billing practices or false claims. Fraud and abuse investigations and prosecutions can have a material adverse impact on the financial condition of health care providers, and those to whom they are related and other entities in the health care delivery system of which that entity is a part.

Federal Anti-Kickback Law. It is illegal to offer, pay, solicit or receive a payment in return for referring, ordering, recommending or arranging for the referral of any product or service covered by Medicare, Medicaid or other government health care programs. This prohibition has been broadly applied by the courts. Violations may result in civil and criminal penalties. Criminal penalties include imprisonment and fines. Civil penalties include temporary or permanent exclusion from government health care programs and civil money penalties. The broad prohibitions of the anti-kickback law (the “Anti-Kickback Law”) may be implicated when hospitals and physicians conduct joint business activities, such as physician recruiting programs, physician referral services, hospital-physician service or management contracts, space or equipment rentals between hospitals and physicians, and other service and vendor relationships. In the Reform Acts, Congress revised the intent requirement of the Anti-Kickback Law to provide that a person is not required to “have actual knowledge or specific intent to commit a violation of” the Anti-Kickback Law in order to be found guilty of violating such law. The Reform Acts also provide that any claims for items or services that violate the Anti-Kickback Law are also considered false claims for purposes of the federal civil False Claims Act.

Although the Anti-Kickback Law applies only to health benefit programs funded by the federal government, a number of states have passed similar laws pursuant to which similar types of prohibitions are made applicable to other health plans or third-party payors. For example, Pennsylvania law includes anti-kickback provisions related to medical assistance and any other health insurance benefit.

Because the law is broadly applied and safe harbors are narrowly drawn, there can be no assurance that a Jefferson Hospital will not be found in violation of the Anti-Kickback Law. If a violation were found, any sanctions imposed could have a material adverse effect upon the future operations and financial condition of the Obligated Group.

In addition to the federal Anti-Kickback Law, many states have anti-kickback and/or fee-splitting statutes designed to prohibit inducements or improper remuneration for the referral of patients. In some cases, state statutes are broader or carry larger fines than corresponding federal law. Management of the Obligated Group believes its policies, procedures and business arrangements have been and currently are in material compliance with the Anti-Kickback Law and state anti-kickback and fee-splitting laws and regulations but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of an Anti-Kickback Law or similar state law violation could have a material adverse effect on the Members of the Obligated Group’s business or financial condition.

Pennsylvania's 18 Pa. C.S. § 4117(b) prohibits health care providers from compensating or giving anything of value to a person for providing names, addresses, telephone numbers or other identifying information of individuals seeking or receiving medical or rehabilitative care for accident, sickness or disease, except to the extent a referral and receipt of compensation is permitted under applicable professional rules of conduct. Health care providers may not compensate or give anything of value to a person to recommend or secure the provider's service for having made a recommendation resulting in the provider's service, except that the provider may pay the reasonable cost of advertising or written communication as permitted by rules of professional conduct. 62 P.S. § 1407(a)(2) prohibits solicitation or receipt of any form of remuneration, including any kickback, bribe or rebate for referrals, services or merchandise which may be paid whole or in part under the Medical Assistance program. Violation of 18 Pa. C.S. § 4117(b) may lead to civil and criminal penalties, as well as suspension or revocation of the health care provider's license.

New Jersey medical board regulations prohibit licensees from, directly or indirectly, giving or receiving from any licensed or unlicensed source, a gift exceeding nominal value, or any fee, commission, rebate, bonus or other compensation however denominated, which a reasonable person would recognize as having been given or received to promote certain conduct, including the making or receiving of a referral to or from another for professional services. State law makes it a criminal offense to offer, solicit or receive any kickback, rebate or bribe in order to induce business for which reimbursement is provided under a state health care program (such as Medicaid). Jefferson Hospitals make every effort to comply with the provisions of these laws. However, at present time, there can be no assurances that Jefferson Hospitals or any physicians with which it maintains a relationship will not be found to have violated state anti-kickback provisions. Further, allegations of related conduct, even if not substantiated, could have an adverse effect upon the operations and financial condition of the Obligated Group.

Self-Referral Prohibitions. Current federal law (known as the "Stark" law) prohibits any physician from referring certain Medicare or Medicaid covered designated health services to a provider of such services with which the physician (or his/her immediate family member) has a financial relationship, unless excepted by statute or regulation. Penalties for violating the Stark law include denial of payment, refund of payments received, civil monetary penalties, and exclusion from the Medicare and Medicaid programs. However, there are numerous ambiguities and questions of interpretation in analyzing whether an arrangement violates the Stark law. As a result of the scarcity of case law interpreting the Stark law, there can be no assurance that a Jefferson Hospital will not be found in violation of the Stark law. Substantial revisions to the Stark Law regulations went into effect as of January 19, 2021. These revisions include a number of new and revised exceptions related to value-based arrangements, certain limited remuneration to physicians, and electronic health record items and services donations. The revisions also provide guidance regarding the application of the Stark Law and its exceptions, by making changes to existing exceptions, definitions, and key Stark Law terms. Implementation of the new rule may impact the types of physician arrangements, including profit sharing in a group practice context, permitted under the Stark Law. The precise impact on Jefferson Hospitals of any such violation and corresponding sanction cannot be predicted at this time, but would be negative if any such sanction is imposed.

Pennsylvania law prohibits practitioners from making referrals for certain healthcare services and goods reimbursable under Pennsylvania's workers' compensation laws to persons or entities if the practitioner has a financial interest in such persons. Insurers are not liable for payment to providers in violation of the prohibition. This law provides exceptions for referrals made in compliance with the federal Anti-Kickback Law and Stark Law. In addition, Pennsylvania law requires practitioners of the healing arts to disclose to a patient any financial interest of the practitioner in an entity prior to referring the patient there. Violations are subject to a monetary penalty of \$1,000. Pennsylvania also prohibits kickbacks paid by healthcare providers with respect to any insured patient.

New Jersey law governs referrals by physicians pursuant to the "Codey Law," and the regulations promulgated thereunder. These laws prohibit the referral of a patient for "health care services" provided by practitioners who have, or whose immediate family members have, a "significant beneficial interest" in an entity providing the referred services. A "health care services" provider includes any entity that provides, on an inpatient or outpatient basis, testing, diagnosis or treatment of human disease or dysfunction, or dispensing of drugs or medical devices for the treatment of human disease or dysfunction, and specifically includes any: bioanalytical laboratory, pharmacy; home health care agency; home infusion therapy company; rehabilitation facility; nursing home; hospital; or facility which provides radiological or other diagnostic imaging services, physical therapy services, ambulatory surgery or ophthalmic services. A "significant beneficial interest" means any "financial interest," including an equity or ownership interest in a practice or a commercial entity holding itself out as offering health care services. A "financial

interest,” in turn, means any monetary interest held by a licensee personally or through immediate family in any health care service to which the licensee’s patients are referred (other than the ownership of space leased to the entity under prevailing rates or any interest held in publicly traded securities). There are various exceptions to the law. Violations may result in civil and/or criminal penalties, as well as disciplinary action. Violations of the Codey Law may constitute the basis for claims under the New Jersey False Claims Act.

False Claims Acts. The federal civil False Claims Act (“Civil FCA”) prohibits anyone from knowingly submitting a false, fictitious or fraudulent claim to the federal government. Private individuals may initiate actions on behalf of the federal government in lawsuits called qui tam actions. The plaintiffs, or “whistleblowers,” can recover significant amounts from the damages awarded to the government. In several cases, Civil FCA violations have been alleged solely on the existence of alleged kickback arrangements or Stark law violations, even in the absence of evidence that false claims had been submitted as a result of those arrangements. The criminal False Claims Act (“Criminal FCA”) prohibits the knowing and willful making of a false statement or misrepresentation of a material fact in submitting a claim to the government.

The Reform Acts amended the Civil FCA by expanding the number of activities that are subject to civil monetary penalties to include, among other things, failure to report and return known overpayments within statutory limits. In February 2016, CMS released a final rule imposing a new “reasonable diligence” standard for identifying overpayments that must be reported and returned within 60 days. CMS clarified that the 60-day timeframe for report and return begins when either reasonable diligence is completed (including determination of the overpayment amount) or on the day the person received credible information of a potential overpayment (if the person failed to conduct reasonable diligence and the person in fact received an overpayment). Failure to report and return overpayments may result in false claims liability. In July 2024, CMS release a proposed rule that would toll the 60-day timeframe if the person has identified such an overpayment, while they conduct an investigation into any related overpayments. The impact of the proposed rule, should it be finalized, cannot be predicted at this time.

In addition, Civil FCA penalties apply to any person, including an organization that does not contract directly with the government, who knowingly makes, uses or causes to be made or used, a false statement or statement material to a false or fraudulent claim paid in part by the federal government. Some regulators and whistleblowers have asserted that claims submitted to government payors that do not comply fully with regulations or guidelines come within the scope of the Civil FCA. In June 2016, the U.S. Supreme Court in *Universal Health Services, Inc. v. United States ex rel. Escobar* held that the theory of “implied false certification” can be used as a basis for Civil FCA liability when (1) a claim does more than merely request payment and makes specific representations about the nature of the goods or services provided; and (2) the failure to disclose noncompliance with material statutory, regulatory or contractual provisions makes the representations “misleading half-truths.” Additionally, on June 1, 2023, the Supreme Court in *United States ex rel. Schutte v. SuperValu Inc.* unanimously held that liability under the FCA depends upon a defendant’s subjective belief (rather than what an objectively reasonable person may have known or believed). As a result, any FCA litigation related to Jefferson Hospitals will be more complex and will likely incur higher administrative costs. The Civil FCA has become one of the government’s primary weapons against health care fraud and suspected fraud. Civil FCA violations or alleged violations could lead to settlements, fines, exclusion or reputation damage that could have a material adverse impact on Jefferson Hospitals.

Pennsylvania law prohibits a person from knowingly making claims for money or property to the Commonwealth. No specific intent to defraud is required and liability to the Commonwealth includes a civil administrative penalty of not less than \$15,000 and not more than \$25,000, three times the amount of the damages, plus restitution and reasonable attorney’s fees. Pennsylvania law similarly has a similar statute prohibiting false claims against private insurers with comparable criminal consequences.

The NJ False Claims Act authorizes civil action against any person who knowingly causes New Jersey to pay a false claim. A person who violates this law is subject to civil penalties in the amounts set forth in the federal statute and may further be liable for treble damages. Like federal law, the New Jersey law includes a “whistleblower” provision. The Act amended the existing Medicaid fraud statute to provide for specific civil penalties for Medicaid fraud consistent with (and supplemental to) other claims permitted under the Act. Additionally the New Jersey Insurance Fraud Prevention Act (“FPA”) prohibits submission of false or misleading claims for payment or approval by an insurance company and permits the state to recover damages from persons or entities that knowingly present or cause to be presented a false or misleading claim for payment or approval by an insurance company. Any person who

violates the FPA may be liable for increasing amounts under subsequent violations. In addition to civil penalties under the FPA, the Attorney General of New Jersey may bring criminal action related to the same conduct.

New Jersey further prohibits any practitioner (health care professional) from submitting bills or claims for payment reimbursement of health care services, if such bills or claims contain false, fictitious, fraudulent or misleading statements of material fact or omissions of material fact. Violations may sustain criminal liability pursuant to the New Jersey Health Care Claims Fraud Act. Practitioners may be guilty of a crime in the second or third degree, dependent upon the severity of the claims fraud, and may further be subjected to fines up to five times the pecuniary benefit obtained (or sought to be obtained) or imprisonment, as well as disciplinary action by the relevant state board.

Federal Criminal Provisions Relating to All Health Benefit Programs. Federal health care criminal provisions applicable to private and governmental health benefit programs were enacted as part of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). Under these provisions, a person who knowingly and willfully executes, or attempts to execute, a scheme or artifice (1) to defraud any health care benefit program, or (2) to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any health care benefit program, in connection with delivery of or payment for health care benefits, items or services, may be fined and/or imprisoned for not more than 10 years. The term of imprisonment can increase if serious bodily injury or death results from the fraud. Any violation of these provisions by a Jefferson Hospital could have a material adverse impact on the Obligated Group.

HIPAA. In addition to the expanded enforcement activity noted above, the “Administrative Simplification” provisions of HIPAA mandate the use of uniform standard electronic formats for certain administrative and financial health care transactions, the adoption of minimum security standards for individually identifiable health information maintained or transmitted electronically, and compliance with privacy standards adopted to protect the confidentiality of personal health information. The Administrative Simplification provisions apply to health care providers, health plans, and health care clearinghouses, and their agents and subcontractors referred to as Business Associates (collectively “Covered Entities”). Use and disclosure of certain broadly defined protected health information is prohibited unless expressly permitted under the provisions of HIPAA and related regulations or authorized by the patient. HIPAA’s privacy and security provisions extend not only to patient medical records but also to a wide variety of health care clinical and financial settings where patient privacy restrictions often impose new communication, operational accounting and billing restrictions. These restrictions add costs and create potentially unanticipated sources of legal liability. On December 10, 2020, DHHS issued a proposed rule proposing changes to HIPAA regulations in an effort to promote value-based health care. DHHS has since further proposed voluntary cybersecurity recommendations and announced its intent to propose additional updates to HIPAA privacy and security regulations in 2024. DHHS has also finalized penalties and disincentives for “Information Blocking” in accordance with the 21st Century Cures Act. Compliance with HIPAA requires stringent technical and administrative safeguards. Noncompliance would likely result in civil or criminal penalties which could have a material adverse impact on the Obligated Group.

Civil Monetary Penalty Statute. The Civil Monetary Penalties Law in part authorizes the government to impose monetary penalties against individuals and entities committing a variety of acts. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Moreover, a hospital may not knowingly make a payment, directly or indirectly, to a physician as an inducement to reduce or limit services to Medicare or Medicaid patients under the physician’s direct care. In the Reform Acts, Congress amended the Civil Monetary Penalties Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment; (ii) failing to grant the Office of Inspector General timely access for audits, investigations, or evaluations; and (iii) failing to report and return a known overpayment within statutory time limits. Violations of the Civil Monetary Penalties Law can result in substantial civil money penalties plus three times the amount claimed.

Possible Consequences. Any violations of the foregoing laws by a Jefferson Hospital could result in substantial monetary fines and damages as well as its possible exclusion (i.e., disqualification) from participation in the Medicare and Medicaid programs. The term “exclusion” means that no Medicare or state health care program

reimbursement (including Medicaid) will be made for any services rendered by the excluded party or for any services rendered on the order or under the supervision of an excluded physician. The Secretary of DHHS is required to exclude individuals or entities for not less than five years if convicted of certain offenses, and may exclude individuals or entities, for not less than three years, for certain other offenses. Thus, the imposition of any such penalties on a Jefferson Hospital could have a material adverse impact on the Obligated Group's financial condition. Regardless of the merits of a particular case or cases, the Obligated Group could incur significant legal and settlement costs. Prolonged and publicized investigations could be damaging to reputation, business and credit, regardless of the outcome, and could have material adverse consequences on the financial condition of the Obligated Group.

Other Federal Statutes. Health care providers are subject to criminal prosecution and civil penalties under a variety of federal laws in addition to those discussed in the previous paragraphs, notably the following:

Section 340B Drug Pricing Program. Hospitals that participate as "covered entities" in the prescription drug discount program established under Section 340B of the federal Public Health Service Act (the "340B Program") are able to purchase certain outpatient prescription drugs for their patients at a reduced cost. Effective January 1, 2018, CMS imposed large cuts on such discounts. These cuts were challenged by the American Hospital Association, and the U.S. Supreme Court issued an opinion on June 15, 2022 in *American Hospital Association et al. v. Becerra* that stated CMS had acted in an unlawful manner when it reduced the reimbursement rates for hospitals participating in the 340B Program. Under the statute governing the 340B Program, CMS must conduct a survey of hospitals' acquisition costs of 340B Program Drugs. However, CMS reduced the reimbursement rates in 2018 and 2019 for the 340B Program without surveying acquisitions costs, which led to a reimbursement reduction of approximately 1.6 billion dollars annually for 340B Program hospitals. As a result of the Supreme Court decision, CMS finalized for calendar year 2023 a payment rate of average sales price plus 6% for 340B Program drugs, consistent with CMS policy for drugs not acquired through the 340B Program. CMS proposed the same 106% rate for calendar year 2024. As required by law, CMS implemented a 3.09% reduction to payment rates for non-drug services to achieve budget neutrality for the 340B Program payment rate change for calendar year 2023. CMS has begun to address the remedy for 340B Program drug payments from 2018-2022 via proposed rule. Additionally, Congressional and administrative efforts have also been made in the past, seeking to tighten 340B Program eligibility requirements and reduce the scope of the program. Future legal, legislative or administrative changes to the 340B Program which result in a loss of 340B Program eligibility, or further decreases in 340B Program drug discounts, could have a material adverse effect on Jefferson Hospitals. In addition, the rules and regulations applicable to participation in the 340B Program are technical, complex, numerous and may not fully be understood or implemented by billing or reporting personnel. Failure to comply with the 340B Program requirements or rules could result in exclusion from the 340B Program thus significantly increasing costs for drugs as well as creating a repayment obligation, which in either case could have a material adverse effect on the operations or financial condition of Jefferson Hospitals. On May 21, 2024, the United States Court of Appeals for the District of Columbia Circuit issued a decision in *United Therapeutics Corporation v. Carole Johnson, et al./Novartis Pharmaceuticals v. Carole Johnson*, affirming the United States District Court for the District of Columbia and rejecting the government's position that the 340B statute categorically prohibits manufacturers from imposing contractual conditions on how their products may be distributed. The decision upheld the District Court's declaratory judgment that the 340B statute "does not categorically prohibit manufacturers from imposing conditions on the distribution of covered drugs to covered entities," and holds that the conditions imposed by the manufacturers in this case on contract pharmacies "do not violate section 340B on their face." However, the U.S. Court of Appeals for the District of Columbia noted that there may be restrictions imposed by drug manufacturers that would, in fact, violate the 340B statute. Additional circuits have addressed the same issue, and there are still ongoing challenges to the government's position. There can be no assurance that pharmaceutical companies will be prevented from putting conditions on the 340B Program that would reduce the financial benefits of that program for hospitals, including the Jefferson Hospitals.

EMTALA. The Emergency Medical Treatment and Active Labor Act ("EMTALA") is a federal civil statute that requires a hospital with an emergency department to provide an appropriate medical screening examination within the capability of any of the Jefferson Hospitals' emergency departments to any individual that comes seeking treatment or examination for an emergency medical condition or active labor. If the medical screening examination indicates an emergency medical condition, Jefferson Hospitals' must provide appropriate care to stabilize the patient or provide appropriate care within its capabilities and provide an appropriate transfer to another qualified facility. A hospital that violates EMTALA is subject to substantial civil penalties and exclusion from the Medicare and Medicaid programs.

Privacy, Electronic Transactions and Security Regulations. The confidentiality of patient medical records and other health information is subject to considerable regulation by state and federal governments. For example, the administrative simplification provisions of HIPAA mandate that health care providers transmit certain patient health information in accordance with DHHS standards and requirements. The standards impose very complex procedures and operational requirements with which the Jefferson Hospitals must comply. Violation of the standards could result in substantial damages or civil or criminal penalties. HIPAA also mandates the adoption of federal privacy standards to protect the confidentiality of protected health information.

Other Government Initiatives

The Fair Share Act changed Pennsylvania law regarding joint and several liability. Under the Fair Share Act, when liability is attributed to more than one defendant, a defendant's liability will be several and not joint, and the court will enter a separate judgment against each defendant that is proportionate to that defendant's liability. Joint liability still exists in certain cases, such as intentional torts, misrepresentation and when a defendant is found to be more than sixty percent responsible for a given claim. The legislation is intended to reduce malpractice liabilities of hospitals in cases where the error or omission is attributable to other defendants, but it is difficult to predict what effect, if any, the passage of the Fair Share Act will have on the Obligated Group or its ability to fulfill its obligations with respect to the Bonds.

Medical Care Availability and Reduction of Error Act. The Medical Care Availability and Reduction of Error Act (the "Mcare Act") is a Pennsylvania state law that is the successor to the Medical Professional Liability Catastrophe Loss Fund, better known as the "CAT Fund." The Mcare Act established a fund within the state Treasury to ensure reasonable compensation for persons injured due to medical negligence. Money in the fund is used to pay claims against participating health care providers and eligible entities for losses or damages awarded in medical professional liability actions in excess of basic insurance coverage. Participation in the Mcare Fund is mandatory for most Pennsylvania licensed health care providers.

The Mcare Act also includes significant patient safety initiatives, professional liability tort reforms, professional liability insurance reforms, and administrative requirements. Under the Mcare Act, hospitals are required to develop and implement patient safety plans, appoint patient safety officers, form patient safety committees, and engage in mandatory reporting of serious events, incidents, and infrastructure failures in the hospital. Furthermore, hospitals are required to provide written notice to patients affected by serious events. Failure to comply with the patient safety requirements of the Mcare Act can result in administrative fines of \$1,000 per day and could significantly affect the financial condition of the Obligated Group. Continued funding of the Mcare program is uncertain.

The Health Care-Associated Infection and Prevention Control Act. Enacted in July 2007, the Pennsylvania Health Care-Associated Infection and Prevention Control Act requires the adoption of infection control procedures and the reporting of healthcare-associated infections going forward. The Act requires healthcare facilities to implement internal infection control plans including systems designed to identify patients with Methicillin-resistant *Staphylococcus aureus* ("MRSA") infections. Healthcare facilities will be required to report hospital-acquired infections to the Patient Safety Authority. In return for the implementation of qualified electronic surveillance systems and reductions in infection rates, healthcare facilities will be eligible to receive additional reimbursement from the State. There can be no assurance that Jefferson Hospitals will be eligible or that State funds will continue to be available for reimbursement under this program.

Preventable Serious Adverse Events Act. In June 2009, Pennsylvania enacted the Serious Adverse Events Act which prohibits health care providers from knowingly seeking payment from a person or entity for a "preventable serious adverse event" ("PSAE"). A PSAE is an event that occurs in a health care facility that is within the health care provider's control to avoid, but that occurs because of an error or other system failure and results in a patient's death, loss of body part, disfigurement, disability or loss of bodily function lasting more than seven days or still present at the time of discharge from a health care facility. A list of PSAEs are published in a bulletin prepared by the Pennsylvania Department of Public Welfare. In New Jersey, the state's Department of Health established a Patient Safety Reporting System in 2005 under the state's Patient Safety Act. The law requires certain facilities, including hospitals, to report "serious preventable adverse events." If a Jefferson Hospital discovers that a PSAE has occurred, it cannot seek payment for the event or for any corrective measures related to the PSAE. If a PSAE is discovered after payment is received, such Jefferson Hospital is obligated to return the payment.

Self-Pay Patients and Charity Care. Recent Pennsylvania legislative efforts have attempted to limit fees charged to the self-insured and also to restrict a hospital's ability to collect bad debt. While these legislative efforts have not been enacted to date, there can be no guarantee that such legislation will not be adopted in the future. There can be no assurance that any such initiative will not have effects that negatively impact the financial condition of the members of the Obligated Group.

Enforcement Activity. Any violations of the foregoing laws by a Jefferson Hospital could result in substantial monetary fines and damages, as well as possible exclusion from participation in the Medicare and Medicaid programs. Regardless of the merits of a particular case or cases, the Obligated Group could incur significant legal and settlement costs if it were to become the subject of an investigation or enforcement activity. This could have material adverse consequences on the financial condition of the Obligated Group.

Research Funding

A substantial portion of the Obligated Group's revenue relates to research activities, for which the Obligated Group receives significant funding through the National Institutes of Health ("NIH"). See "RESEARCH ACTIVITIES" in APPENDIX A. NIH funding is subject to Congressional appropriations. Material reductions in aggregate NIH budget may have a material adverse effect on research activities and finances of the Obligated Group.

The receipt of grants from federal government agencies requires that grantees report certain financial, operating and use information to the appropriate grantor agency. Grantees are responsible for managing the day-to-day operations of grant-supported activities and ensuring that grants are administered consistent with grant requirements. Failure to comply with reporting requirements and/or providing inaccurate information in a report may subject the grant recipient to sanctions. In addition, federal grants are subject to audits to determine, among other things, whether costs are appropriately charged to a grant, and a grantee's failure to comply with the terms and conditions of a grant award may cause the federal government to initiate an enforcement action against the grantee.

Pursuant to receiving federal grants, the Obligated Group must comply with grant terms and conditions, including applicable reporting requirements. Due to the complexity of federal law and regulations governing research activities, federal enforcement authorities may determine that research costs do not comply with applicable grant requirements. There can be no assurance that sanctions resulting from a finding of noncompliance will not have an adverse effect on the financial condition of the Obligated Group.

Infectious Disease Outbreaks, Pandemics, or Other Public Health Emergencies or Crisis

The business and financial results of the Obligated Group may be harmed by an international, national or localized outbreak of a highly contagious or epidemic disease, including but not limited to, COVID-19 or similar corona trip viruses, Ebola or Zika, may put stress on the capacity of all or a part of the Obligated Group's health care facilities, could result in an abnormally high demand for health care services, require that resources be diverted from one part of operations to another part, disrupt the supply chain for equipment and supplies necessary for the operations of Jefferson Hospitals. In addition, unaffected individuals may decide to defer elective procedures or otherwise avoid medical treatment, resulting in reduced patient volumes and operating revenues at facilities of Jefferson Hospitals. The effect of any future public health emergency or crisis on Jefferson Hospitals' operations and finances could be material and cannot be predicted at this time.

Health care providers are also disproportionately likely to be exposed to and become ill from a highly contagious disease or pandemic, which may limit the ability of Jefferson Hospitals to have staff on duty at all times sufficient to provide care. Business disruptions could also include temporary closures of the Obligated Group's facilities or the facilities of suppliers and their contract manufacturers, and a reduction in the business hours of health care facilities. Changes in operations at the Obligated Group's facilities may result in additional costs being incurred related to adjustments to the use of various facilities and to staffing during an outbreak, including overtime wages, wages paid to employees who are unable to work due to quarantine, and utilization of more expensive contract staff to provide care. In addition, health care providers may be required to provide significant amounts of uncompensated care. The Obligated Group cannot predict any costs associated with the potential treatment of an infection disease or pandemic or preparation for such treatment.

In the future, pandemic or other highly contagious disease at the Obligated Group's facilities may adversely affect Jefferson Hospitals' operations and financial performance in various ways, including but not limited to (1) an overburdening of facilities, (2) a quarantine, temporary shutdown or diversion of patients, (3) a disruption in the production or supply of pharmaceuticals, medical supplies and protective equipment and increases in the costs of such products, (4) professional or non-professional staff shortages or illnesses, (5) an increase in overhead costs due to additional costs incurred related to adjustments to the use of various facilities and to staffing during the outbreak, including overtime wages, mandated sick pay, and the use of more expensive contract staff to provide care, (6) significantly delayed payments from third-party payors, (7) increased numbers of professional liability lawsuits, (8) a larger number of uninsured patients due to increased unemployment rates, and (9) reduced patient volumes and operating revenues due to unaffected individuals deferring elective procedures or otherwise avoiding medical treatment.

CARES Act Compliance

The federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") created a "Public Health and Social Services Emergency Fund" to reimburse eligible health care providers for "health care related expenses or lost revenues that are attributable to coronavirus" ("Provider Relief Fund"). Payments in excess of health care-related expenses or lost revenue attributable to COVID-19 were required to be repaid. The retention of funds from the Provider Relief Fund is conditioned on eligibility and the acceptance of terms and conditions, and other guidelines or requirements that may change from time to time, including with respect to recordkeeping and repayment requirements. The Department of Health and Human Services ("DHHS") is actively auditing recipients of Provider Relief Fund funds to ensure compliance with the terms and conditions thereof. Failure to comply with such terms and conditions could result in recoupment, False Claims Act liability, or other penalty.

Security Breaches and Unauthorized Releases of Personal Information

Federal, state and local authorities are increasingly focused on the importance of protecting the confidentiality of individuals' personal information, including patient health information. Many states have enacted laws requiring businesses to notify individuals of security breaches that result in the unauthorized release of personal information. In some states, notification requirements may be triggered even where information has not been used or disclosed, but rather has been inappropriately accessed. State consumer protection laws may also provide the basis for legal action for privacy and security breaches and frequently, unlike HIPAA, authorize a private right of action. In particular, the public nature of security breaches exposes health organizations to increased risk of individual or class action lawsuits from patients or other affected persons, in addition to government enforcement. Failure to comply with restrictions on patient privacy or to maintain robust information security safeguards, including taking steps to ensure that contractors who have access to sensitive patient information maintain the confidentiality of such information, could consequently damage a health care provider's reputation and materially adversely affect business operations. See "— Other Risk Factors – Cybersecurity Risks" herein.

Cybersecurity Risks. The Obligated Group and its affiliates use a variety of information technology systems in the ordinary course of business. Those information technology systems may be vulnerable to various threats, including unauthorized access, computer viruses, cyber-attacks, breaches, physical or electronic break-ins and other similar events or issues, ranging from individual attempts to advanced persistent threats, despite the Obligated Group and its affiliates implementation of security measures, procedures and controls intended to monitor those incidents and mitigate exposure to them. A realization of such an event could result in the inadvertent disclosure of protected health information or other confidential, propriety or sensitive information, which could result in misstated financial data, theft of trade secrets or other intellectual property, liability for disclosure of confidential patient, medical staff, employee, volunteer or supplier information, increased costs arising from the implementation of additional security protective measures, litigation and reputational damage, which could have an adverse effect on the ability of the Obligated Group and its affiliates to provide health care services and on their financial condition. Any remedial costs or other liabilities related to cybersecurity incidents could exceed insurance coverage or indemnification that may be provided by other means. Further, the risk of such an event occurring may increase as recently proposed interoperability requirements, which, among other things, are designed to promote access by developers of mobile applications, or "apps," are finalized and implemented. Any remedial costs or other liabilities related to cybersecurity incidents could exceed insurance coverage or indemnification that may be provided by other means.

HITECH Act and Electronic Health Records

Title XIII of the American Recovery & Reinvestment Act of 2009, known as the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (collectively, the “HITECH Act”), provided for over \$19 billion in funds intended to be used to increase the use of certified electronic health record technology (“CEHRT”) by physicians and hospitals. These funds were distributed through additional Medicare and Medicaid reimbursement for physicians and hospitals that demonstrated “meaningful use” of CEHRT. Incentives were paid out according to a schedule set forth in the HITECH Act, and a particular hospital’s or physician’s incentive payments were determined primarily upon the date such hospital or physician demonstrated “meaningful use” of CEHRT. Hospitals and physicians that fail to demonstrate meaningful uses of CEHRT in accordance with the HITECH Act’s schedule will be subject to a reduction in Medicare payments as well as recoupment of all incentive payments.

The Members of the Obligated Group May Not Be Able to Maintain Contracts with Commercial Third-Party Payors for Adequate Payments

Commercial third-party reimbursement for patient care is based on negotiated fee schedules. Renegotiations of these agreements with Independence Blue Cross, Aetna and other commercial insurers and changes in such reimbursement systems may reduce the third-party reimbursements to the Obligated Group. The reimbursements currently paid by these third-party payors are likely to be subject to more restrictions in the future, and there can be no assurance that such payments will be adequate to cover the cost of care for beneficiaries in the future.

The Reform Acts include insurance market reforms that, among other things, require insured individual and group health plans to guarantee issue and renewability of coverage, prohibit pre-existing conditions and lifetime and annual dollar limits for essential health benefits, require coverage of preventive health benefits without cost-sharing contributions by the covered individual, and prohibit discrimination on the basis of health status. Every individual is required to enroll in a health plan through an employer, a federal government health program such as Medicare, Medicaid or Tricare, or purchase insurance through a health insurance exchange established by each state. Large employers who do not offer affordable and adequate coverage, will be subject to tax penalties. Although the Reforms Acts originally imposed taxes on individuals who did not enroll in health coverage, such taxes were effectively eliminated as of January 1, 2019, through the Tax Cuts and Jobs Act, passed in 2017. It is unclear at this time whether the tax penalties that remain in effect will result in substantial compliance with the coverage mandate.

Currently, most private insurance companies contract with hospitals on an exclusive or preferred-provider basis, and some insurers have introduced plans known as preferred provider organizations (“PPOs”). Under these plans, there may be financial incentives for subscribers to use only those hospitals and physicians which contract with the plans. Under an exclusive provider plan, which includes most health maintenance organizations (“HMOs”), private payors limit coverage to those services provided by network hospitals and physicians. With this contracting authority, private payors may direct patients away from hospitals not in the network by denying coverage for services provided by them.

Most PPOs and HMOs currently pay hospitals on a discounted fee-for-service basis or on a discounted fixed rate per day of care. The discounts offered to HMOs and PPOs may result in payment at less than actual cost, and the volume of patients directed to a hospital under an HMO or PPO contract may vary significantly from projections. Therefore, the financial consequences of such arrangements cannot be predicted with certainty and may be different from current or prior experience. Some HMOs offer or mandate a “capitation” payment method under which hospitals are paid a predetermined periodic rate for each enrollee in the HMO who is “assigned” to, or otherwise directed to receive care at, a particular hospital. In a capitation payment system, the hospital assumes an insurance risk for the cost and scope of care given to such HMO’s enrollees. If payment under an HMO or PPO contract is insufficient to meet the hospital’s costs of care, or if use by enrollees materially exceeds projections, the financial condition of the hospital may be adversely affected.

HMOs and other third-party payors that contract on a discounted fee-for-service or discounted fixed rate-per-day basis also exert strong controls over the utilization of health care resources. Strong utilization management by managed care plans has led to reduction in the number of hospitalizations and lengths of hospital stays, both of which may reduce patient service revenue to hospitals. Furthermore, shortened hospital lengths of stay have not necessarily

been accompanied with a reduced demand for services while a patient is hospitalized and in fact may lead to more intensive hospital visits and correspondingly increased costs to hospital providers.

The Obligated Group may also be affected by the financial instability of HMOs and other third-party payors with which the Obligated Group contracts and/or from which it receives reimbursement for furnished health care services. For example, if the regulators place a financially-troubled HMO into rehabilitation under state law, or if a third-party payor files for protection under the federal bankruptcy laws, it is unlikely that health care providers will be reimbursed in full for services furnished to enrollees of the HMO or third-party payor. Also, health care providers may be required by law or court order to continue furnishing health care services to the enrollees of an insolvent HMO or third-party payor, even though the providers may not be reimbursed in full for such services.

Employer sponsored health insurance plans are adopting health care benefits for their employees that create incentives for employees to participate in preventative care programs and better manage chronic diseases. The Reform Acts will require the provision of preventative health benefits without cost sharing on the insured. These programs may reduce the costs of providing health care benefits and help maintain a healthier workforce. Employers are also adding alternatives to traditional fee for service health insurance programs, by offering a variety of health insurance programs that increase cost sharing by employees or reduce cost by limiting access to preferred providers. These types of insurance programs are expected to cover an increasing share of health care services being provided in the future.

Per diem rates, other risk-based payment systems and discounts pose major challenges to hospital providers. In order to enter into such contracts, hospitals are required not only to anticipate the cost of rendering specific services to patients, but also to estimate the likelihood and severity of illness or injury within the population which the hospital serves. If payment under a managed care plan contract is insufficient to meet a hospital's costs of caring for the needs of the population it serves, the financial condition of the hospital may erode rapidly and significantly. Often, managed care plan contracts are enforceable for the stated term, regardless of provider losses. Furthermore, managed care plan contracts and insurance laws may require that a hospital continue to provide care for enrollees for a certain period of time irrespective of whether the managed care plan has funds to make payment to the hospital.

Increasingly, physician practice groups, independent practice associations and other physician management companies have become a part of the process of negotiating payment rates to hospitals by managed care plans. This involvement has taken many forms but typically increases the competition for limited payment resources from managed care plans. For example, it is increasingly common for managed care plans to enter into contracts with physicians that may give physicians incentives in patient care decisions which may result in reduced hospital admissions and procedures.

Any new payment methods implemented by the Medicare and Medicaid programs in response to the Reform Acts' provisions or other legislation will drive similar changes in the private payor market. Programs designed to incent coordination of care, value-based purchasing and quality outcomes will likely evolve in the private payor market.

There is no assurance that contracts of the Obligated Group (or its physicians practicing through Jefferson Hospitals or its practice plans) with Independence Blue Cross, Aetna, HMOs, PPOs or other payors will be maintained or that other similar contracts will be obtained in the future, or that payments from such payors will be sufficient to cover all of the costs Jefferson Hospitals or its physicians incur in providing hospital services to their beneficiaries. Failure to execute and maintain such contracts could have the effect of reducing the patient base or gross revenues of the Obligated Group. Conversely, participation may maintain or increase the patient base, but may result in reduced payments.

Additionally, major purchasers of health care services could take action to restrict hospital charges or charge increases. As a result of increased public scrutiny, it is also possible that the pricing strategies of health care providers may be perceived negatively by consumers and health care providers may be forced to reduce fees for their services. Decreased utilization could result, and health care providers' revenues may be negatively impacted. In addition, consumers and groups lobbying on behalf of consumers are increasing pressure for health plans, hospitals and other health care providers to be transparent and provide information about cost and quality of services that may affect future consumer choices about where to receive health care services.

The Members of the Obligated Group May Be Adversely Affected By Competition From Other Healthcare Providers

Generally, other hospitals and health facilities providing services to residents and employees in the service area of Jefferson Hospitals are the major source of competition for Jefferson Hospitals. Competition from a variety of potential sources, including, but not limited to, inpatient and outpatient health care facilities, clinics and physicians, may adversely affect the utilization and/or revenues of the Obligated Group. In addition, nontraditional competitors, such as physician management companies, disease management companies and outpatient service providers, could have the same effect. Certain new competitors, such as home health and infusion providers, and certain niche providers, such as specialized cardiology, dialysis or oncology companies, specifically target hospital patients as their prime source of revenue growth. Further, because existing and potential competitors may not be subject to regulations and restrictions applicable to Jefferson Hospitals, these competitors may be more flexible in their ability to adapt to competitive opportunities and risks. If these competitors and any future competitors are successful, some of the most profitable aspects of hospital operations may be stripped away and overall utilization may decline.

Additionally, mergers or affiliations of existing competitors may create larger, more viable entities that may be more formidable competitors than the original constituent entities. While the effect of such action is uncertain, mergers and acquisitions can be expected to increase the level of competition faced by Jefferson Hospitals, and the utilization and revenues of the Obligated Group could be adversely affected.

The ability to recruit and retain highly qualified physicians to a hospital's medical staff is one of the most significant factors in the competitive position of a hospital. Also, management's ability to negotiate service contracts with purchasers of group health care services is another major factor in the competitive position of a hospital. There can be no assurance that the impact of these factors on the Obligated Group will not be adverse.

Technological advances in recent years have forced hospitals to acquire sophisticated and costly equipment to remain competitive. If, due to financial constraints, lack of availability of equipment, or inability to obtain any necessary government approval, Jefferson Hospitals were less able to acquire new equipment required to remain competitive, Jefferson Hospitals could lose market share, and the financial condition of the Obligated Group could be materially adversely affected.

Non-invasive interventions, including pharmacological treatments and gene therapy, are being developed at an increasing pace and could substantially reduce the demand for hospital services before the Bonds are retired. Unless population growth offsets this trend, or the Members of the Obligated Group's facilities are able to compensate by developing other services or reducing expenses, the financial condition of the Obligated Group could be materially adversely affected by such medical advances.

The Obligated Group May Be Adversely Affected By the Increasing Cost of Modern Technology

Scientific and technological advances, new procedures, drugs and devices, preventive medicine, occupational health and safety, and outpatient health care delivery may reduce utilization and revenues of the Members of the Obligated Group in the future. Technological advances in recent years have accelerated the trend toward the use by hospitals of sophisticated and costly equipment and services, and Jefferson Hospitals may have to incur significant costs to acquire the equipment needed to maintain or enhance their competitive position. The acquisition and operation of certain equipment and services may continue to be a significant factor in hospital utilization, but the ability of Jefferson Hospitals to offer such equipment or services may be subject to the availability of equipment and specialists, governmental approval and the ability to finance such acquisitions and operations. The financial condition of the Obligated Group could be materially adversely affected by such technological advances.

Jefferson Hospitals May Be Adversely Affected By Negative Reviews From Third Parties

Health plans, Medicare, Medicaid, employers, trade groups and other purchasers of health services, private standard-setting organizations and accrediting agencies increasingly are using statistical and other measures in efforts to characterize, publicize, compare, rank and change the quality, safety and cost of health care services provided by hospitals and physicians. Published rankings such as "score cards," "pay for performance," "never events" and other

financial and non-financial incentive programs are being introduced to affect the reputation and revenue of hospitals and the members of their medical staffs to influence the behavior of consumers and providers. Currently prevalent are measures of quality based on clinical outcomes of patient care, reduction in costs, patient satisfaction and investment in health information technology. Measures of performance set by others that characterize a Jefferson Hospital negatively may adversely affect its reputation and the financial condition of the Obligated Group.

The Obligated Group's Financial Position May Be Adversely Impacted By Future Affiliation, Merger, Acquisition and Divestiture Activity

As with many other healthcare systems, management selectively evaluates potential merger and affiliation opportunities on a continuing basis as part of its overall strategic planning and development process. Discussions with respect to affiliation, merger, acquisition, disposition, or change of use are held on an intermittent and confidential basis with other parties. As a result, the Obligated Group's corporate structure and assets could change from time to time. There is no assurance that completed affiliations will be permanent, even when they are originally intended to be. Any changes to the corporate structure or membership of the Obligated Group will be subject to the provisions of the Master Indenture. See "THE MASTER INDENTURE – Section 6.08 Permitted Reorganizations" in APPENDIX D.

As part of its ongoing planning and property management functions, management also reviews the use, compatibility and business viability of Jefferson Hospitals' operations and facilities, and, from time to time, may pursue changes in the use or disposition of such facilities. Likewise, the Members of the Obligated Group occasionally receive offers from or conduct discussions with third parties about the potential acquisition of operations or properties or the potential sale of some of their operations and properties.

If a proceeding were brought to dissolve any Obligated Group Member or to distribute its assets to other charitable donees, the Pennsylvania Attorney General may intervene and enter into a compromise, settlement, contract or judgment relating to the proceeding. The Attorney General is also authorized to bring suit against a nonprofit hospital for a breach of certain of its duties. If an Obligated Group Member proposed to merge or affiliate with a for-profit or out-of-state health care entity or take some other action which might have an adverse effect on the distribution of its charitable assets, the Attorney General might bring an action to prevent the merger or affiliation. This power could interfere with possible workout or liquidation proceedings and possibly have adverse effects on the financial condition of the Obligated Group.

The Obligated Group May Be Limited By, or Incur Substantial Liability Under, Federal and State Law

Antitrust. Enforcement of the antitrust laws against health care providers is becoming more common. Antitrust liability may arise in a wide variety of circumstances, including provider network disputes, medical staff privilege disputes, third party contracting, physician relations, joint ventures, merger, affiliation and acquisition activities, and certain pricing or salary setting activities, as well as other areas of activity. In some respects, the application of federal and state antitrust laws to health care is still evolving, and enforcement activity by federal and state agencies appears to be increasing. At various times, health care providers may be subject to an investigation by a governmental agency charged with the enforcement of antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Violation of the antitrust laws could subject an Obligated Group Member to criminal and civil enforcement by federal and state agencies, as well as by private litigants. In certain actions, private litigants may be entitled to treble damages, and, in others, governmental entities may be able to assess substantial monetary fines.

From time to time, an Obligated Group Member may be involved in a variety of activities that could receive scrutiny under antitrust laws, and they cannot predict when or to what extent liability may arise. With respect to payor contracting, an Obligated Group Member may, from time to time, be involved in joint contracting activity with other hospitals or providers. The precise degree to which this or similar joint contracting activities may expose the participants to antitrust risk from governmental or private sources is dependent on a myriad of factual matters that may change from time to time.

Another potential area of antitrust liability is restraint on growth or the potential for mandated divestiture of facilities or operations if a hospital's local market power in the inpatient hospital market or related health care business

is determined to be too great. In addition, the creation of market power or monopoly power through contracting with a high percentage of physicians within a given market may result in a required divestiture or other antitrust risks. An Obligated Group Member may work with, rely upon and sometimes invest in medical groups or physician practice management companies. If any of these medical groups or management companies is determined to have violated the antitrust laws, the Obligated Group Member may also be subject to liability.

Court decisions have also established private causes of action against hospitals that use their local market power to promote ancillary health care businesses in which they have an interest. Such activities may result in monetary liability for the participating hospitals under certain circumstances where a competitor suffers business damage.

The ability to consummate mergers, acquisitions or affiliations may also be impaired by the antitrust laws, potentially limiting the ability of the Obligated Group to fulfill its strategic plans. Liability in any of these or other antitrust areas of liability may be substantial, depending on the facts and circumstances of each case.

Environmental Laws and Regulations. Health care providers are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations that address, among other things, provider operations and facilities owned or operated by providers. The types of regulatory requirements faced by health care providers include: air and water quality control requirements; waste management requirements; specific regulatory requirements applicable to asbestos, polychlorinated biphenyls and radioactive substances; requirements for providing notice to employees and members of the public about hazardous materials handled by a Jefferson Hospital or located at an Obligated Group Member's facility; and requirements for training employees in the proper handling and management of hazardous materials and wastes.

In their roles as owner and/or operator, the Members of the Obligated Group may be subject to liability for hazardous substances that are located on their property, including any such substances that may have migrated off their property. Typical health care provider operations include, but are not limited to, the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants and contaminants. As such, health care provider operations are particularly susceptible to the practical, financial and legal risks associated with the obligations imposed by applicable environmental laws and regulations. Such risks may result in damage to individuals, property or the environment; interrupt operations and/or increase their cost; result in legal liability, damages, injunctions or fines; and result in investigations, administrative proceedings, civil litigation, criminal prosecution, penalties or other governmental agency actions; and may not be covered by insurance. There can be no assurance that an Obligated Group Member will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations and/or financial condition of the Obligated Group.

Jefferson Hospitals are Dependent on, and Could Incur Liability in Denying Access to, the Medical Staff

The operation of Jefferson Hospitals is dependent on the recruitment and retention of highly qualified physicians to the medical staffs of its hospitals, and to encourage non-employed physicians to admit patients to the Obligated Group's hospitals rather than to competing hospitals where they maintain privileges. The Members of the Obligated Group have a variety of relationships with physicians. Many of these relationships may be of material importance to operations. In an increasingly complex legal and regulatory environment, these relationships pose a variety of legal and business risks. For purposes of contracting with managed care organizations, physicians are organizing or joining physician practice groups or independent practice associations that are comprised of a large number of physicians. This consolidation increases the importance of attracting physicians in the groups to Jefferson Hospitals' medical staff and increases the risk of the loss of physicians as a group.

The primary relationship between a hospital and physicians who practice at it is through the hospital's organized medical staff. Medical staff bylaws, rules and policies establish the criteria and procedures by which a hospital will grant, restrict, deny or revoke a physician's medical staff membership and/or clinical privileges. Physicians whose medical staff membership or privileges are denied, restricted or revoked often file legal actions. Such actions may include a wide variety of claims, some of which could result in substantial uninsured damages to a hospital. In addition, failure of a hospital's governing body to oversee adequately the conduct of its medical staff may result in hospital liability. All hospitals are subject to such risks.

Hospitals regularly have disputes regarding credentialing and peer review and may be subject to liability in this area. In addition, hospitals occasionally indemnify medical staff members who are involved in such credentialing or peer review activities and may also be liable with respect to such indemnity. Exposure to this liability is mitigated by complying with requirements of the federal Health Care Quality Improvement Act (“HCQIA”). The Members of the Obligated Group intend for the Obligated Group’s peer review activities to result in HCQIA protection. Nonetheless, some activities are not HCQIA-protected, and there can be no assurance that material and adverse liability will not result.

The Obligated Group May Not Be Able to Employ an Adequate Workforce on Affordable Terms

Hospitals are large employers with a wide diversity of employees. Increasingly, employees of hospitals are becoming unionized, and many hospitals have collective bargaining agreements with one or more labor organizations. Employees subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance and other trade personnel.

A significant national shortage of health care professionals exists and has been exacerbated by the COVID-19 pandemic, impacting patient care and labor costs. Management has taken recruiting and retention steps to maintain an adequate, effective professional staff. There can be no assurance that the national shortage will not affect the Obligated Group in the future.

Additionally, a U.S. Supreme Court decision expanded employers’ potential liability for workplace retaliation claims brought by employees under Title VII. This decision exposes employers to a broader array of retaliation claims and makes those claims more difficult to defend.

An additional area of economic exposure for employers, including health care providers, is misclassification of workers as independent contractors, rather than employees. If a worker is classified as an employee, the employer pays certain taxes based upon the amounts earned by the employee. Independent contractors, however, bear the entire economic burden of such taxes by paying self-employment taxes. Consequently, if an employer classifies a worker as an independent contractor and the Internal Revenue Service (the “IRS”) subsequently reclassifies the worker as an employee, the employer is liable for all taxes the employer otherwise would have paid to the IRS. Although a single misclassification may not have a material adverse effect on the Obligated Group, a number of misclassifications over a period of time, together with any resulting penalties, may have an adverse financial impact. Moreover, the IRS has taken a broad view of the relations between hospitals and physicians that require hospitals to pay employment tax for certain amounts paid to physicians. Accordingly, the Members of the Obligated Group might be broadly liable for employment taxes for contract payments made to physicians. Such liability could have a material adverse effect on the financial condition of the Obligated Group.

The Obligated Group’s Financial Position May Be Negatively Affected By Disruptions in the Financial Markets

The recent domestic and international financial crises have had, and are expected to continue to have, negative repercussions upon the national and global economies, including a scarcity of credit, lack of confidence in the financial sector, extreme volatility in the financial markets, rapid fluctuations in interest rates, reduced business activity, increased consumer bankruptcies, and business failures. In response, state and federal governments took various actions that were designed to enhance liquidity, improve the performance and efficiencies of credit markets and generally stabilize securities markets. The ultimate effectiveness of these actions is still being assessed both in the macro-economy and in the Obligated Group’s economic area of operations.

The Members of the Obligated Group have significant holdings in a broad range of investments. Market fluctuations have affected and will continue to materially affect the value of those investments and those fluctuations may be, and historically have been, material. See “APPENDIX A- CASH AND INVESTMENTS.”

The Obligated Group May Lose Its Tax-Exempt Status

Tax-Exempt Status of Members of the Obligated Group. The maintenance of the tax-exempt status of the Members of the Obligated Group depends on compliance with rules in the Code regarding the organization and operation of tax-exempt entities, including their operation exclusively for charitable and educational purposes and their avoidance of transactions that may cause their earnings or assets to inure to the benefit of private individuals. The IRS reporting requirements for tax-exempt organizations include information on outstanding tax-exempt debt and how much community benefit is provided.

Tax-exempt organizations are subject to scrutiny from and face the potential for sanctions and monetary penalties imposed by the IRS. If a tax-exempt entity is engaged in private inurement or impermissible private benefit, the IRS may revoke its tax-exempt status. Although the IRS has not frequently revoked the tax-exempt status of nonprofit hospitals, it has the legal authority to do so. If an Obligated Group Member or another benefited affiliate were to lose its tax-exempt status, interest on tax-exempt debt issued for the Members of the Obligated Group and their affiliates could become taxable, defaults in covenants regarding the Series 2024B Bonds and other obligations of the Obligated Group Member would likely be triggered and the Members of the Obligated Group could incur substantial tax liabilities on their income. For these reasons, any loss of the tax-exempt status of any Member of the Obligated Group or affiliates could materially adversely affect the financial condition of the Obligated Group.

The Code authorizes the IRS to impose substantial monetary penalties and future charity care or public benefit obligations on tax-exempt hospitals in lieu of revoking their tax-exempt status, as well as requiring that certain transactions be altered, terminated or avoided in the future and/or requiring governance or management changes. These penalties and obligations are typically imposed on the tax-exempt hospital pursuant to a “closing agreement,” a contractual agreement pursuant to which a taxpayer and the IRS agree to settle a disputed matter. Given the exemption risks involved in certain transactions, Members of the Obligated Group and their exempt affiliates may be at risk for incurring monetary and other liabilities imposed by the IRS. These liabilities could be materially adverse.

Additionally, Section 4958 of the Code authorizes the imposition of certain excise taxes, referred to generally as “intermediate sanctions,” which sanctions focus enforcement on private persons who transact business with a tax-exempt organization rather than the tax-exempt organization itself, but these sanctions do not replace the other remedies available to the IRS mentioned above. Moreover, in certain circumstances, intermediate actions can be levied against persons within the organization who approve of transactions giving rise to such sanctions.

Certain Members of the Obligated Group and their controlled affiliates may, from time to time, entered into joint ventures with for-profit parties for the ownership and operation of certain medical facilities. The rules applicable to such joint ventures are complex, and while the Obligated Group expects that any such affiliated joint venture would be in compliance with such rules, any change in or violation of the applicable rules could adversely affect the tax-exempt status of one or more Members of the Obligated Group as an organization or organizations described in Section 501(c)(3) of the Code. Such a change or violation may also require the dissolution of one or more such joint ventures, which could have material adverse consequences to the Obligated Group.

The Members of the Obligated Group or one or more affiliates may be audited by the IRS. Because of the complexity of the tax laws and the presence of issues about which reasonable persons can differ, an IRS audit could result in additional taxes, interest and penalties. An IRS audit ultimately could affect the tax-exempt status of the Members of the Obligated Group or one or more affiliates, as well as the exclusion from gross income for federal income tax purposes of the interest on tax-exempt debt issued for the Members of the Obligated Group and their exempt affiliates.

IRS Form 990 must be annually filed by most organizations exempt from federal income taxation under Section 501(c)(3) of the Code. The IRS Form 990 requires detailed public disclosure of compensation practices, corporate governance, loans to executive management and others, joint ventures and other types of transactions, political campaign activities, and other areas the IRS deems to be compliance risk areas. The Reform Acts expanded the IRS Form 990 to require tax-exempt hospitals report on new Code Section 501(r) requirements. Under the Reform Acts, each tax-exempt hospital facility is required to (1) conduct a community health needs assessment at least every three years and adopt an implementation strategy to meet the identified community needs; (2) adopt, implement and widely publicize a written financial assistance policy and a policy to provide emergency medical treatment without

discrimination; (3) limit charges to individuals who qualify for financial assistance under the hospital's financial assistance policy to no more than the amounts generally billed to individuals who have insurance covering such care and refrain from using "gross charges" when billing such individuals; and (4) refrain from taking extraordinary collection actions without first making reasonable efforts to determine whether the individual is eligible for assistance under the hospital's financial assistance policy. In addition, under the Reform Acts, the Treasury Department is required to review information about a hospital's community benefit activities at least once every three years. In recent years, legislation has been proposed to repeal the exemption of nonprofit hospitals from federal income taxes. The Reform Acts may make it more difficult to comply with community benefit requirements. Any reduction in community benefits provided by nonprofit hospitals generally could increase the risk of passage of such legislation.

Schedule H to the IRS Form 990 asks whether a 501(c)(3) organization has a charity care policy and requests a description of that policy. Schedule H also requires that an organization report the community benefits that it provides, including the cost of providing charity care and other benefits. The reporting of this information to the IRS could lead to additional audit examinations and a more stringent interpretation by the IRS of community benefit.

Schedule K to the IRS Form 990 is intended to address what the IRS believes is significant noncompliance by tax-exempt organizations with recordkeeping and record retention requirements relating to their outstanding tax-exempt debt. Schedule K requires substantial additional efforts on the part of many tax-exempt organizations to complete. Schedule K also focuses on the investment of tax-exempt debt proceeds that could violate the arbitrage rebate requirements and on the private use of tax-exempt debt-financed facilities. The new IRS Form 990 provides additional detailed information to the IRS, as well as to states' attorneys general, unions, plaintiff class action lawyers and public interest groups, that is likely to result in increased enforcement actions, the effect of which cannot be determined at this time.

State and Local Tax Exemption. State, county, and local taxing authorities frequently undertake audits and reviews of the operations of tax-exempt health care providers with respect to their real property tax exemption. In some cases, particularly where authorities are dissatisfied with the amount of services provided to indigents, the real property tax-exempt status of the health care providers has been questioned.

In Pennsylvania, in response to uncertainty resulting from divergent court decisions regarding the charitable status of property owners, the Pennsylvania legislature enacted The Institutions of Purely Public Charity Act, 10 P.S. §§ 371-385 ("Act 55"), on November 26, 1997 which, among other things, sets forth specific criteria to be met by an entity in order for such entity to be deemed an "institution of purely public charity". Notwithstanding passage of Act 55, in 2012 the Supreme Court of Pennsylvania held that a property owner seeking an exemption from real property taxation as a "purely public charity" must first meet the criteria set forth in *Hospital Utilization Project v. Commonwealth*, 487 A.2d 1306 (Pa. 1985) (the "HUP Test"), to determine whether an institution qualifies as a purely public charity under the Pennsylvania Constitution, before undertaking analysis under Act 55. This decision has resulted in challenges to existing tax-exempt status by local taxing jurisdictions. For example, the Commonwealth Court of Pennsylvania recently revoked the property tax exemption for a Pennsylvania hospital for failure to meet the criteria established under the HUP Test due to improper payments made to executives and its parent company. While Management of the Obligated Group believes that it meets the criteria in both the HUP Test and Act 55, there are no assurances that the Members of the Obligated Group's status will not be challenged, or that it will meet such criteria in the future. Management of the Obligated Group expresses no opinion as to the likelihood of an unfavorable outcome and cannot predict whether failure of such properties to continue to be treated as tax-exempt for real estate tax purposes would have a material impact on the results of operations and financial condition of the Members of the Obligated Group.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to state and local taxation of nonprofit corporations. There can be no assurance that future changes in the laws and regulations of state or local governments will not materially adversely affect the financial condition of the Members of the Obligated Group by requiring payment of income, local property or other taxes.

Recent reviews have been conducted by local appraisal districts and have focused on large healthcare systems. The majority of the Obligated Group's real property is currently exempt from property taxes. Investigations or audits could lead to challenges of the property tax exemption with respect to facilities that, if successful, could

adversely and materially affect the property tax exemption with respect to certain of the Obligated Group's facilities or property.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit corporations. Legislation that would result in further regulation and supervision of nonprofit corporations generally is introduced from time to time in state legislatures. There can be no assurance that future changes in the laws and regulations of federal, state or local governments will not materially adversely affect the operations and financial condition of the Obligated Group by requiring the Members of the Obligated Group or any of their affiliates to pay income or local property taxes.

Unrelated Business Taxable Income. The IRS and state, county and local taxing authorities may undertake audits and reviews of the operations of tax-exempt hospitals with respect to the generation of unrelated business taxable income ("UBTI"). The Members of the Obligated Group and their tax-exempt affiliates participate in activities that may generate UBTI. The level of these activities is currently immaterial to the Members of the Obligated Group as a whole, but these activities could increase in the future. An investigation or audit could lead to a challenge that could result in taxes, interest and penalties with respect to UBTI and, in some cases, ultimately could affect the tax-exempt status of an Obligated Group Member or its tax-exempt affiliates, as well as the exclusion from gross income for federal tax purposes of the interest payable on tax-exempt debt issued for the Obligated Group and its exempt affiliates.

The Obligated Group Could Be Adversely Affected By Providing Too Much or Too Little Uncompensated Care to Indigents

Tax-exempt hospitals often treat large numbers of indigent patients who are unable to pay for their medical care. These hospitals may be susceptible to economic and political changes, including those caused by COVID-19, that could increase the number of indigents or the Members of the Obligated Group's responsibility for caring for this population. General economic conditions that affect the number of employed individuals who have health coverage affect the ability of patients to pay for their care. Similarly, changes in governmental policy, which may result in coverage exclusions under local, state and federal health care programs (including Medicare and Medicaid), may increase the frequency and severity of indigent treatment in such hospitals. Lawsuits have been filed in both federal and state courts alleging, among other things, that hospitals have failed to fulfill their obligations to provide charity care to uninsured patients and have overcharged uninsured patients. The cases are proceeding in various courts around the country with inconsistent results. While it is not possible to make general predictions, some hospitals and health systems have incurred substantial costs in defending such lawsuits and in some cases have entered into substantial settlements.

It is possible that future legislation or court decisions could require that tax-exempt organizations that own and operate hospitals maintain defined minimum levels of indigent care as a condition to federal income tax exemption or exemption from certain state or local taxes. In the event that there are changes to hospital charity and indigent care obligations, there could be a material and adverse effect on the operations or financial condition of the Obligated Group.

One or More Jefferson Hospitals Could Lose Accreditation or Licenses

Health care facilities, including those operated by the Members of the Obligated Group, are subject to the requirements of numerous governmental, licensing, certification and accreditation authorities. These include, but are not limited to, the Medicare and Medicaid programs, state licensing agencies, private payors and The Joint Commission. Although The Joint Commission is a private organization, it plays an important role in the Medicare program. A hospital will be deemed to have met the Medicare "*Conditions of Participation*" (and be eligible for Medicare payment) if it is accredited by The Joint Commission. However, at any time, CMS may still require a survey of a hospital by a state agency to determine whether such hospital actually meets the Conditions of Participation. The Joint Commission recently announced a complete overhaul of its accreditation process, as well as the addition of new accreditation standards. Results and costs to accredited providers of this overhaul and the addition of new standards are unpredictable. Management cannot predict what effect new regulations, accreditation standards, and/or certification standards may have on the Obligated Group's future operations.

Renewal and continuation of certain of these licenses, certifications and accreditations are based on inspections, surveys, audits, investigations or other reviews, some of which may require or include affirmative activity or response by a Jefferson Hospital. These activities generally are conducted in the normal course of business of health care facilities. Nevertheless, an adverse result could cause a loss or restriction in licensure, certification or accreditation, reduce payments, or require repayment of amounts previously remitted to the provider. Accordingly, an adverse result could have a material and adverse effect on the operations and/or financial condition of the Obligated Group.

Actions in any of these areas could result in the loss of utilization or revenues, or the Obligated Group's ability to operate all or a portion of its health care facilities, and, consequently, could have a material and adverse effect on the Obligated Group's ability to make the debt service payments relating to the Bonds.

The Members of the Obligated Group May Be Unable to Complete Construction Projects on Time or Within Budget, Which Could Reduce or Defer Expected Revenue

Timely completion of construction projects undertaken from time to time by the Members of the Obligated Group is dependent upon a number of factors, including the receipt of building permits and other governmental approvals, the completion of plans and specifications, the availability of materials, labor and contractors to construct the improvements within management's cost estimates or the availability of other funds to pay possible cost overruns, labor relations in the construction industry, the solvency of contractors, and other factors that cannot be predicted. Accordingly, there can be no assurances that plans for the projects will be fully realized on a timely basis or at all. If completion of such projects is delayed, or if cost overruns are incurred, or if demand for services at the new and expanded facilities is slow to develop, the revenues and cash position of the Obligated Group could be materially adversely affected.

The Members of the Obligated Group Could Seek Protection from Bankruptcy Laws That May Limit Rights of Certain Creditors

In the event of bankruptcy of any Obligated Group Member or their affiliates, the rights and remedies of the holders of the Bonds are subject to various provisions of the federal Bankruptcy Code. If any Obligated Group Member, or their affiliates were to file a petition in bankruptcy, payments made by the Obligated Group, or their affiliates during the one-year period immediately preceding the filing of such petition may be voidable as preferential transfers to the extent such payments allow the recipients to receive more than they would have received in the event of any such debtor's liquidation. Security interests and other liens granted to the Bond Trustee or Master Trustee and perfected during such preference period also may be voided as preferential transfers to the extent such security interest or other lien secures obligations that arose prior to the date of such perfection. Such a bankruptcy filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Members of the Obligated Group, and their property and as an automatic stay of any act or proceeding to enforce a lien upon or to otherwise exercise control over its property as well as various other actions to enforce, maintain or enhance the rights of the Bond Trustee or the Master Trustee. If the Bankruptcy Court so ordered, the property of the Members of the Obligated Group, including accounts receivable and proceeds thereof, could be used for the financial rehabilitation of any of the affiliates despite any security interest of the Bond Trustee or the Master Trustee therein. The rights of the Bond Trustee or Master Trustee to enforce any security interests it may have could be delayed during the pendency of the rehabilitation proceeding.

The Members of the Obligated Group could file a plan of reorganization for the adjustment of their debts in any such proceeding, which plan could include provisions modifying or altering the rights of creditors generally or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and, with certain exceptions, discharges all claims against the debtor to the extent provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are conditions that the plan is feasible and that it shall have been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the class cast votes in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

The legal right and practical ability of the Bond Trustee to enforce rights and remedies under the Bond Indenture may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors' rights. Enforcement of such rights and remedies will depend upon the exercise of various remedies specified by such documents, which, in many instances, may require judicial actions that are subject to discretion and delay, that otherwise may not be readily available or that may be limited by certain legal principles.

There exists common law authority and authority under certain statutes for the ability of the courts to terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes. Such court action may arise on the court's own motion or pursuant to a petition of the state Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

The various legal opinions delivered concurrently with the issuance of the Bonds are qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, policies and decisions affecting remedies and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights or the enforceability of certain remedies or document provisions.

Litigation, Malpractice Claims and Insurance Claims May Adversely Affect the Obligated Group's Financial Position

One or more substantial medical malpractice claims or claims arising from the corporate or business activities of the Members of the Obligated Group in excess of their insurance coverage or other actions seeking punitive or other damages which are not covered by insurance could adversely affect the financial results and condition of the Obligated Group. Management believes that the Obligated Group maintains adequate levels of third party liability coverage and programs of self-insurance to protect the Members of the Obligated Group and their affiliates. For a discussion of the Obligated Group insurance and current litigation, see "INSURANCE" and "LITIGATION" in APPENDIX A and notes to financial statements in APPENDICES B-1 and B-2.

In recent years, the number of professional and general liability suits and the dollar amounts of damage recoveries have increased nationwide, resulting in substantial increases in malpractice insurance premiums. Professional liability and other actions alleging wrongful conduct and seeking punitive damages often filed against health care providers. Litigation may also arise from the corporate and business activities of the Members of the Obligated Group, employee-related matters, medical staff and provider network matters, and denials of medical staff and provider network membership and privileges. As with professional liability, many of these risks are covered by insurance, but some are not. For example, some antitrust claims, business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of an Obligated Group Member if determined or settled adversely. Claims for punitive damages may not be covered by insurance under Pennsylvania law. Although TJU currently carries malpractice and general liability insurance which management of TJU considers adequate, management is unable to predict the availability, cost or adequacy of such insurance in the future.

The Contractual Undertakings of the Obligated Group May Not Be Fully Enforceable

The Members of the Obligated Group may transfer assets among the Obligated Group without restriction and the Members of the Obligated Group may incur additional debt or transfer assets in reliance on the revenues and assets of the entire Obligated Group, following which the ability of the Obligated Group to pay the Master Notes may depend on the enforceability of the contractual obligations of the Obligated Group and any Designated Affiliates under the Master Indenture. There are uncertainties as to the enforceability of certain obligations of the Members of the Obligated Group contained in the Master Indenture which could bear on the payment of debt service on the Bonds, as further described below.

The joint and several obligations described herein of the Members of the Obligated Group and of any future Obligated Group Member and the obligations of the Designated Affiliates to transfer funds to the Members of the Obligated Group to make payments of debt service on the Obligations issued pursuant to and under the Master

Indenture, the proceeds of which Obligations were not loaned or otherwise made available to such Obligated Group Member or such Designated Affiliate, may not be enforceable to the extent that such payments (i) will be made on the Obligations issued for a purpose that is not consistent with the charitable purposes of the entity from which such payment is requested or which is issued for the benefit of any entity other than a tax-exempt organization; (ii) will be made from property that is donor restricted or that is subject to a direct or express trust that does not permit the use of such property for such payments; (iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the entity from which such payment is requested; or (iv) will be made pursuant to any loan violating applicable usury laws. Due to the absence of clear legal precedent in this area, the extent to which the property of the Members of the Obligated Group or any future Designated Affiliate falls within category (ii) referred to above cannot be determined and could be substantial.

A Designated Affiliate may not be required to transfer funds to the current Members of the Obligated Group, or any future Obligated Group Member to make payments on the Obligations to the extent that any such payment or transfer would render such paying entity insolvent or would conflict with, not be permitted by or would be subject to recovery for the benefit of other creditors of such entity under applicable fraudulent conveyance, bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights. There is no clear precedent in the law as to whether payments by an Obligated Group Member on the Obligations issued by or for the benefit of another entity or transfers of funds by a Designated Affiliate for such purposes may be voided by a trustee in bankruptcy in the event of a bankruptcy of an Obligated Group Member or Designated Affiliate or by third party creditors in an action brought pursuant to fraudulent transfer statutes of the Commonwealth. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under fraudulent conveyances statutes of the Commonwealth, a creditor of a related guarantor may avoid any obligation incurred by a related guarantor, if, among other bases therefor, (i) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty, and (ii) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or fraudulent transfers statutes of the Commonwealth, or the guarantor is undercapitalized.

Application by courts of the tests of "insolvency," "reasonably equivalent value" and "fair consideration" has resulted in a conflicting body of case law. It is possible that, in an action to force an Obligated Group Member to pay debt service on any Obligation issued by or for the benefit of another entity, or to force a Designated Affiliate to transfer funds for such purpose, a court might not enforce such obligation in the event it is determined that such paying entity is analogous to a guarantor and that fair consideration or reasonably equivalent value for such guaranty was not received and that the incurrence of such obligation has rendered and will render the paying entity insolvent or the paying entity is or will thereby become undercapitalized.

The Security Interest Securing the Master Notes is of Limited Value and is Likely Inadequate to Ensure Payment of the Bonds

Although the Master Notes are secured by a pledge of certain receivables and revenues of the Members of the Obligated Group, it will not be secured by a mortgage of or security interest in any tangible property of the Members of the Obligated Group. In addition, no measures are expected to be taken to perfect the security interest in cash, investments, or other proceeds of receivables. The security interest in accounts receivable, receipts and certain contract rights granted by the Members of the Obligated Group to the Master Trustee pursuant to the Master Indenture may be affected by various matters, including (i) federal bankruptcy laws which would, among other things, preclude enforceability of the security interest as to revenues arising subsequent to the commencement of bankruptcy proceedings and limit such enforceability as to revenues arising prior to such commencement to the extent a security interest therein would constitute a voidable preference or fraudulent conveyance, (ii) rights of third parties in cash, securities and instruments arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment in any federal statutes or regulations, (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and rights of donors of property, (v) claims that might obtain priority if continuation statements or financing statement amendments are not filed in accordance with applicable laws, (vi) the rights of holders of prior perfected security interests in equipment and other goods owned the Members of the Obligated Group and in the proceeds of sale of such property, (vii) statutory liens and (viii) the rights of parties secured by Permitted Encumbrances, among other possible prior interests. In addition, any unperfected security interest and any security interest in post-petition revenues would be ineffective if an Obligated Group Member petitioned for a reorganization of its debts under the federal Bankruptcy Code, and an Obligated Group Member's security interest will be released if it withdraws from the Obligated Group.

Accordingly, such security interest is expected to provide only limited value in the event of default. If an event of default does occur, it is uncertain that either the Master Trustee or the Bond Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Bonds. In addition, obligations other than the Master Notes and the outstanding Obligations may be issued from time to time in the future pursuant to the Master Indenture, and such obligations will be on a parity basis with the Master Notes with respect to the benefits of the Master Indenture. In addition, should other entities become members of the Obligated Group in the future, the current Members of the Obligated Group would become jointly and severally liable for any obligations issued on behalf of such entities under the Master Indenture.

Little property of the Members of the Obligated Group consists of general purpose buildings suitable for industrial or commercial use. Consequently, it could be difficult to find a buyer or lessee for the property, and, upon a default, the Bond Trustee or the Master Trustee may not obtain an amount equal to the aggregate liabilities of the Members of the Obligated Group (including liabilities in respect of the defaulted Bonds then outstanding) from the sale or lease of the property, whether pursuant to a judgment against the Members of the Obligated Group, or otherwise.

Master Indenture and Bond Indentures May Be Amended Without Bondholder Consent

Certain amendments to the Master Indenture may be made with the consent of the holders of a majority of the principal amount of Obligations outstanding under the Master Indenture. Such majority may be composed wholly or partially of the holders of additional Obligations. Certain amendments to the Bond Indentures may be made with the consent of the holders of a majority of the outstanding principal amount of the Bonds of a series. In addition, certain document amendments may be made without bondholder consent or notice. Any amendment could adversely affect the security for the Bonds. See APPENDIX C – “PROPOSED FORMS OF BOND INDENTURES AND LOAN AGREEMENTS” and APPENDIX D – “THE MASTER INDENTURE.”

The Members of the Obligated Group May Enter into a New Master Indenture

Under the Master Indenture, upon the election of the Obligated Group, in their sole discretion, any Obligation issued under the Master Indenture may be deemed issued under a New Master Indenture upon delivery of such New Master Indenture to the Master Trustee upon the terms and conditions provided in the Master Indenture. See APPENDIX D – “THE MASTER INDENTURE – Section 9.03 Note and Document Substitution.” Other entities not in the Obligated Group may be parties to the New Master Indenture. No assurance can be given that the new obligated group will not be different from the Obligated Group under the Master Indenture, or that the financial condition or results of operations of the new obligated group will not be materially different. Further, the New Master Indenture may contain covenants and security that are different from the Master Indenture.

Rights of Holders of the Bonds May Be Limited By Holders of Related Bonds

The rights of the Bond Trustee to take certain actions in the event of default by the Obligated Group on the Bonds or of the Master Trustee in the event of default by an Obligated Group Member are subject to the provisions of the Bond Indentures and the Master Indenture. In exercising any available remedies, a trustee is obligated to act in the interests of the beneficiaries of the specific trust held by such trustee. Generally, the holders of Obligations may direct the Master Trustee in the event of certain defaults by an Obligated Group Member. Holders of Obligations vote based upon the principal amount of Obligations they hold.

Other Factors Generally Affecting Health Care Providers

Unemployment, decreased insurance coverage provided by employers, or other adverse economic conditions could increase the proportion of patients who are uninsured or who are otherwise unable to pay fully for the cost of their care, and increased numbers of patients suffering from uninsured and extended illness could adversely affect the results of operation of the Obligated Group.

As large employers, hospitals and health care providers may incur significant expenses to fund pension and benefit plans for employees and former employees, and to fund required workers' compensation benefits. Plans are

often underfunded, or may become underfunded and funding obligations in some cases may be erratic or unanticipated and may require significant commitments of available cash needed for other purposes. See APPENDIX A – “RETIREMENT BENEFITS.”

Other potential risk factors may also affect the operation, and therefore revenues, of the Obligated Group and its ability to maintain sufficient operating margins, including, among others: (i) the cost and availability of energy; (ii) the cost and availability of insurance, such as fire and general comprehensive liability and professional liability insurance, that hospitals of similar size and type generally carry; (iii) uninsured acts of God (including floods) or punitive damage judgments as to which insurance is not available; (iv) natural and man-made disasters, including without limitation bioterrorism-induced epidemics and other terrorist activities; (v) imposition of wage and price controls for the health care industry; (vi) a decrease in population or change in demographics in the service areas of Jefferson Hospitals; (vii) an increase in the rate of inflation and difficulties in increasing service charges and other fees, while at the same time maintaining the amount and quality of health care services; and (viii) market risk adversely affecting investments of the Members of the Obligated Group.

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2024B Bonds or otherwise prevent holders of the Series 2024B Bonds from realizing the full benefit of the tax exemption of interest on the Series 2024B Bonds. Such proposals may impact the marketability or market value of the Series 2024B Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to Series 2024B Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2024B Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2024B Bonds would be impacted thereby.

Purchasers of the Series 2024B Bonds should consult their tax advisors regarding any potential, proposed or pending legislation, regulatory initiatives or litigation.

Interest Rate Swaps

The Obligated Group has entered into and may in the future enter into interest rate swap agreements related to certain outstanding Indebtedness of the Obligated Group. See footnote 14 “LONG TERM DEBT – DERIVATIVE FINANCIAL INSTRUMENTS” in APPENDIX B-1 and footnote 7 “LONG TERM DEBT – DERIVATIVE FINANCIAL INSTRUMENTS” in APPENDIX B-2. The Swaps are subject to periodic “mark-to-market” valuations and at any time may have a negative value to the Obligated Group. The Swaps may be terminated by the respective counterparties upon certain events of default and/or termination events. The Obligated Group has the ability to terminate certain of the Swaps at market value, in whole or in part, at any time. Any termination of a Swap having a negative mark to market value will require the Obligated Group to make a payment to a counterparty; such payment could be material.

Bond Rating

There is no assurance that the ratings assigned to the Bonds at the time of issuance will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Bonds.

Market for the Bonds

Subject to prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds, and no assurance can be given that a secondary market will develop. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for any purpose.

TAX MATTERS

The following is a summary of the material federal and Pennsylvania income tax consequences of holding and disposing of the Bonds. Such summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). It does not discuss all aspects of federal income taxation that may be relevant to investors in light of their own particular investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (including, but not limited to, dealers in securities or other persons who do not hold the Bonds as a capital asset, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the Commonwealth of Pennsylvania, it does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of purchasing, holding, and disposing of the Bonds.

The Series 2024B Bonds – Federal Tax Matters

General Federal Tax Matters. In the opinions of Ballard Spahr LLP, Philadelphia, Pennsylvania, Andre C. Dasent, P.C., Philadelphia, Pennsylvania, and John A. Schwab, Esquire, Pittsburgh, Pennsylvania, Co-Bond Counsel, interest on the Series 2024B Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2024B Bonds, assuming the accuracy of the certifications of the Authority and TJU and continuing compliance by the Authority and TJU with the requirements of the Internal Revenue Code of 1986, as amended (as previously defined, the “Code”). Interest on the Series 2024B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the “adjusted financial statement income” of “applicable corporations” for purposes of computing the alternative minimum tax imposed on such corporations, as such quoted terms are defined in the Code.

The Code establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2024B Bonds in order for interest on the Series 2024B Bonds to be and remain excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code. These continuing requirements include certain restrictions and prohibitions on the use of the proceeds of the Series 2024B Bonds and the facilities financed and/or refinanced with such proceeds, restrictions on the investment of proceeds and other amounts, and the rebate to the United States of certain earnings in respect of such investments. Failure to comply with such continuing requirements may cause the interest on the Series 2024B Bonds to be included in gross income, for federal income tax purposes, retroactive to a date as early as each respective date of issuance of the Series 2024B Bonds, irrespective of the date on which such noncompliance occurs. In the Bond Indenture, the Loan Agreement, the Tax Compliance Certificates, and accompanying documents, the Authority and TJU have covenanted to comply with certain procedures, and have made certain representations and certifications, designed to assure compliance with the requirements of the Code. The opinions of Co-Bond Counsel described above are made in reliance upon, and assumes continuing compliance with, such covenants and procedures and the continuing accuracy, in all material respects, of such representations and certifications.

Original Issue Discount. Certain of the Series 2024B Bonds may be offered at a discount (“*original issue discount*”) equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Series 2024B Bond accrues periodically over the term of such Series 2024B Bond as interest with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder’s tax basis in the Series 2024B Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium. Certain of the Series 2024B Bonds may be offered at a premium (“*original issue premium*”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Series 2024B Bond through reductions in the bondholder’s tax basis for the Series 2024B Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium

does not create a deductible expense or loss. Bondholders should consult their tax advisers for an explanation of the amortization rules.

Information Reporting and Backup Withholding. A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform “backup withholding” from the interest if the bondholder does not provide an IRS Form W-9 to the payor. “Backup withholding” means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 states the bondholder’s taxpayer identification number or basis of exemption from backup withholding.

If a holder purchasing a Series 2024B Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Series 2024B Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Series 2024B Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

No Other Opinions

Co-Bond Counsel express no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Series 2024B Bonds.

The Series 2024C Bonds - Federal Tax Matters

General Federal Tax Matters. Interest on and profit, if any, on the sale of the Series 2024C Bonds is included in gross income for federal income tax purposes.

The following discussion summarizes the material United States federal income tax consequences generally applicable to the purchase, ownership and disposition of the Series 2024C Bonds by the beneficial owners thereof (“Owners”). The discussion is limited to the tax consequences to the initial Owners of the Series 2024C Bonds who purchase the Series 2024C Bonds at the issue price within the meaning of Section 1273 of the Code and generally does not address the tax consequences to subsequent purchasers of the Series 2024C Bonds. The discussion does not purport to be a complete analysis of all of the potential United States federal income tax consequences relating to the purchase, ownership and disposition of the Series 2024C Bonds, nor does this discussion address any state, local, foreign taxes, or federal estate or gift tax consequences. Furthermore, the discussion does not address all aspects of taxation that might be relevant to particular purchasers in light of their individual circumstances. For instance, the discussion does not address the individual or corporate alternative minimum tax provisions of the Code or special rules applicable to certain categories of purchasers including dealers in securities or foreign currencies, insurance companies, regulated investment companies, real estate mortgage investment conduits, financial institutions, tax-exempt entities, persons required to accelerate the recognition of any item of gross income with respect to the Series 2024C Bonds as a result of such income being recognized on an applicable financial statement, Owners whose functional currency is not the United States dollar and, Foreign Owners (as defined below) that are classified for federal income tax purposes as “controlled foreign corporations,” “passive foreign investment companies,” “expatriates,” “surrogate foreign corporations,” “personal holding companies,” or corporations that accumulate earnings to avoid United States federal income tax.

The discussion also does not address the special rules applicable to purchasers who hold the Series 2024C Bonds as part of a hedge, straddle, conversion, constructive ownership or constructive sale transaction or other risk reduction transaction. The discussion is based on the Code, the regulations of the Department of the Treasury, and administrative and judicial interpretations, all as in effect today. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. The discussion assumes that the Series 2024C Bonds are held as capital assets within the meaning of Section 1221 of the Code.

Tax Consequences to United States Owners. The Series 2024C Bonds will be treated as debt instruments and, accordingly, stated interest payments on the Series 2024C Bonds will be taxable to a United States Owner as ordinary income at the time the interest accrues or is received in accordance with the United States Owner's method of accounting for United States federal income tax purposes. A "United States Owner" is an Owner of a Series 2024C Bond that is, for United States federal income tax purposes: (1) a citizen or resident of the United States, (2) a corporation, or an entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof, (3) an estate, the income of which is subject to United States federal income taxation regardless of its source, or (4) a trust, the administration of which is subject to the primary supervision of a court within the United States and which has one or more United States persons with authority to control all substantial decisions, or a trust that was in existence on August 20, 1996, and has elected to continue its then current treatment as a United States trust. If a partnership (or an entity treated as a partnership for federal tax purposes) holds the Series 2024C Bonds, the United States federal income tax treatment of a partner generally will depend upon the status of the partner and the tax status of the partnership. Partners of partnerships holding the Series 2024C Bonds should consult their own tax advisors with regard to the U.S. federal income tax treatment of the purchase, ownership and disposition of the Series 2024C Bonds.

Original Issue Discount. A Series 2024C Bond will be treated as issued with original issue discount for U.S. federal income tax purposes if the stated principal amount of such Series 2024C Bond exceeds its issue price by at least the de minimis threshold amount of 1/4 of one percent of the stated principal amount of such Series 2024C Bond multiplied by the number of complete years from the issue date of such Series 2024C Bond to its maturity. If a Series 2024C Bond is issued with original issue discount, United States Owners, regardless of their regular method of tax accounting, will have to include the original issue discount in gross income (as ordinary income) as it accrues (on a constant yield to maturity basis), prior to their receipt of the cash corresponding to such original issue discount, which ordinarily will result in the inclusion of increasing amounts of original issue discount in income in successive accrual periods.

Bond Premium. A holder of a Series 2024C Bond who purchases such Series 2024C Bond at a cost that exceeds the stated principal amount of such Series 2024C Bond will have amortizable bond premium equal to such excess. If the holder elects to amortize the bond premium, such election will apply to all Series 2024C Bonds held by the holder on the first day of the taxable year to which the election applies, and to all Series 2024C Bonds thereafter acquired by the holder. The premium must be amortized using constant yield principles based on the purchaser's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, but a reduction in basis is required for amortizable bond premium even though such premium is applied to reduce interest payments. Bond premium on a Series 2024C Bond held by a holder that has not elected to amortize bond premium will decrease the gain or loss otherwise recognized on the disposition of the Series 2024C Bond.

Sale, Exchange, Redemption or Retirement of the Series 2024C Bonds. In general, unless a nonrecognition provision applies, upon the sale, exchange, redemption or retirement of a Series 2024C Bond, a United States Owner will recognize capital gain or loss equal to the difference between the amount realized on such sale, exchange, redemption or retirement (not including any amount attributable to accrued but unpaid interest that the United States Owner has not already included in gross income) and such United States Owner's adjusted tax basis in the Series 2024C Bond. Any amount attributable to accrued but unpaid interest that the Owner has not already included in gross income will be treated as a payment of interest. A United States Owner's adjusted tax basis in a Series 2024C Bond generally will equal the cost of the Series 2024C Bond to such United States Owner, reduced by principal payments received by such United States Owner and increased by any accrued but unpaid interest (including original issue discount, if any) the United States Owner has included in taxable income.

Backup Withholding. Owners will be subject to "backup withholding" of federal income tax (currently at a rate of 24%) in the event they fail to furnish a taxpayer identification number to the paying agent or there are other, related compliance failures. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to an Owner will be allowed as a credit against the Owner's U.S. federal income tax liability and may entitle the Owner to a refund, provided that the required information is timely furnished to the IRS. Owners should consult their tax advisors concerning the application of information reporting and backup withholding rules.

Net Investment Income Tax. Certain United States Owners that are individuals, estates or trusts whose income exceeds certain thresholds are required to pay an additional 3.8% tax on, among other things, interest income and

capital gains, subject to certain limitations and exceptions (the “Net Investment Income Tax”). United States Owners that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Net Investment Income Tax to their income and gains from the Series 2024C Bonds.

Tax Consequences to Foreign Investors. Payments of interest (including original issue discount) on a Series 2024C Bond to an Owner that is not a United States Owner (a “Foreign Owner”) are generally not subject to United States federal income tax or nonresident withholding tax, provided that:

- a. the Foreign Owner is not actually or constructively a “10-percent shareholder” as that term is defined in Section 871(h) or 881(c)(3)(B) of the Code;
- b. the Foreign Owner is not, for United States federal income tax purposes, a controlled foreign corporation (as that term is defined in the Code) with respect to which the Authority is a “related person” within the meaning of Section 881(c)(3)(C) of the Code;
- c. the Foreign Owner is not a bank receiving interest described in Section 881(c)(3)(A) of the Code;
- d. the certification requirements under Section 871(h) or 881(c) of the Code and regulations (summarized below) are met; and
- e. the interest on the Series 2024C Bond is not effectively connected with the conduct by the Foreign Owner of a trade or business in the United States under Section 871(b) or Section 882 of the Code.

In order to obtain the exemption from income and withholding tax, either (1) the Foreign Owner must provide its name and address, and certify, under penalties of perjury on Internal Revenue Service Form W-8BEN, W-8BEN-E, W-8IMY or W-8EXP, as applicable, to the Authority, its paying agent, or other applicable withholding agent as the case may be, that such Owner is a Foreign Owner or (2) a securities clearing organization, bank or other financial institution that holds customers’ securities in the ordinary course of its trade or business (“Financial Institution”) and holds a Series 2024C Bond on behalf of the Foreign Owner, must certify, under penalties of perjury, to the Authority or its paying agent that such certificate has been received from the Owner by it or by any intermediary Financial Institution and must furnish the Authority or its paying agent with a copy of the certificate. A certificate is generally effective only with respect to payments of interest made to the certifying Foreign Owner after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. A Foreign Owner who does not satisfy the exemption requirements is generally subject to United States withholding tax on payments of interest (including original issue discount).

Interest on a Series 2024C Bond (including original issue discount) that is effectively connected with the conduct of a United States trade or business by the Foreign Owner is generally subject to United States federal income tax in the same manner as with a United States Owner, except to the extent otherwise provided under an applicable tax treaty. Effectively connected interest income received by a corporate Foreign Owner may also, under certain circumstances, be subject to an additional branch profits tax. Effectively connected interest income will not be subject to withholding tax if the Foreign Owner delivers a properly completed Internal Revenue Service Form W-8ECI to the Authority or its paying agent.

U.S. Federal Estate Tax. A Series 2024C Bond that is held by an individual who, at the time of death, is not a citizen or resident of the U.S. will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that, at the time of such individual’s death, payments of interest with respect to such Series 2024C Bond would not have been effectively connected to a trade or business conducted by such individual in the U.S.

Sale, Exchange, Redemption or Retirement of the Series 2024C Bonds. In general, a Foreign Owner of a Series 2024C Bond will not be subject to United States federal income or withholding tax on the receipt of payments of principal on a Series 2024C Bond and will not be subject to United States federal income tax on any gain recognized on the sale, exchange, redemption, retirement or other taxable disposition of such Series 2024C Bond unless:

- a. the Foreign Owner is a nonresident alien individual who is present in the United States for 183 or more days in the taxable year of disposition and certain other conditions are met under Section 871(a)(2) of the Code;
- b. the Foreign Owner is required to pay tax pursuant to the provisions of United States tax law applicable to certain United States expatriates; or
- c. the gain is effectively connected with the conduct of a United States trade or business by the Foreign Owner (or pursuant to an applicable tax treaty is attributable to a United States permanent establishment of the Foreign Owner).

Foreign Account Tax Compliance Act (FATCA). Pursuant to the Foreign Account Tax Compliance Act (commonly referred to as “FATCA”), foreign financial institutions (which term includes most foreign banks, hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities generally must comply with certain information reporting rules with respect to their U.S. account holders and investors or confront a withholding tax on U.S.-source payments made to them (whether received as a beneficial owner or as an intermediary for another party). A foreign financial institution or such other foreign entity that does not comply with the FATCA reporting requirements will generally be subject to a 30% withholding tax with respect to any “withholdable payments.” For this purpose, withholdable payments generally include U.S.-source payments otherwise subject to nonresident withholding tax (e.g., U.S.-source interest including original issue discount) and also include the entire gross proceeds from the sale or other disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Under the applicable final Treasury regulations, withholding under FATCA, if required, generally will apply to payments of U.S.-source interest on the Series 2024C Bonds and to payments of gross proceeds from dispositions (including redemptions) of the Series 2024C Bonds. However, the IRS issued proposed Treasury regulations that eliminate withholding on payments of gross proceeds (but not on payments of interest). Pursuant to the proposed Treasury regulations, the Authority and TJU and any applicable withholding agent may (but are not required to) rely on this proposed change to FATCA withholding until the final regulations are issued or the proposed regulations are withdrawn. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States pursuant to FATCA may be subject to different rules with respect to information reporting and related requirements.

The Authority and TJU will not pay any additional amounts in respect of any amounts withheld, including pursuant to FATCA. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Holders are urged to consult with their own tax advisors regarding the effect, if any, of the FATCA provisions to them based on their particular circumstances.

State, Local and Foreign Taxes. Owners may be subject to state, local, or foreign taxes with respect to an investment in the Series 2024C Bonds. Prospective investors are urged to consult their tax advisors with respect to the state, local and foreign tax consequences of an investment in the Series 2024C Bonds.

ERISA Considerations. The following is a summary of certain considerations associated with the acquisition and holding of the Series 2024C Bonds by an “employee benefit plan” (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)) that is subject to Title I of ERISA, a “plan” covered by Section 4975 of the Code (including an individual retirement account or “IRA”), a benefit plan subject to provisions under applicable federal, state, local, non-U.S. or other laws or regulations that are similar to the provisions of Title I of ERISA or Section 4975 of the Code (“Similar Laws”) and any entity whose underlying assets include “plan assets” by reason of such employee benefit or retirement plan’s investment in such entity (each of which is referred to as a “Plan”).

General Fiduciary Matters. ERISA imposes certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan subject to ERISA as well as the assets of “plans” covered by Section 4975 of the Code (including individual retirement accounts (“IRAs”) described in Sections 408 and 408A of the Code) with its fiduciaries or other interested parties (such plans are referred to herein as “Benefit Plans”). In general, under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Benefit Plan or the management or

disposition of the assets of such a Benefit Plan, or who renders investment advice for a fee or other compensation (direct or indirect) to such a Benefit Plan, is generally considered to be a fiduciary of the Benefit Plan. Plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA or Section 4975(g)(3) of the Code) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar prohibitions under Similar Laws.

In considering the acquisition, holding and, to the extent relevant, disposition of Series 2024C Bonds with a portion of the assets of a Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transactions – In General. Section 406 of ERISA prohibits Benefit Plans from engaging in specified transactions involving plan assets with persons or entities who are “Parties in Interest,” within the meaning of Section 3(14) of ERISA, and Section 4975 of the Code imposes an excise tax on certain “Disqualified Persons,” within the meaning of Section 4975 of the Code, who engage in similar prohibited transactions, in each case unless a statutory or administrative exemption is available.

A Party in Interest or Disqualified Person who engages in a non exempt prohibited transaction may be subject to other penalties and liability under ERISA and the Code. In the case of an IRA, the occurrence of a prohibited transaction could cause the IRA to lose its tax-exempt status. Further, a separate prohibited transaction could arise if, subsequent to the acquisition, the Authority or one of its affiliates becomes a Party in Interest or Disqualified Person with respect to such a Benefit Plan or a subsequent transfer of a Series 2024C Bond is between a Benefit Plan and a Party in Interest or Disqualified Person with respect to such Plan.

The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) a fiduciary with respect to a Benefit Plan; (2) a person providing services to a Benefit Plan; and (3) an employer or employee organization any of whose employees or members are covered by a Benefit Plan.

Plan Asset Issues. Certain transactions involving the purchase, holding or transfer of the Series 2024C Bonds might be deemed to constitute a prohibited transaction under ERISA and the Code if assets of the Authority, or Indenture assets were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the “Plan Asset Regulations”), the assets of the Authority or Indenture would be treated as plan assets of a Benefit Plan for purposes of ERISA and the Code only if the Benefit Plan acquires an “equity interest” in the Authority or Indenture assets and none of the exceptions contained in the Plan Asset Regulations is applicable. An equity interest is defined under the Plan Asset Regulations as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features.

Although there is little statutory or regulatory guidance on this subject, the Series 2024C Bonds should be treated as debt, without substantial equity features, for purposes of the Plan Asset Regulations. Accordingly, the assets of the Authority or Indenture should not be treated as plan assets of Benefit Plans investing in the Series 2024C Bonds. However, there can be no complete assurance that the Series 2024C Bonds will be treated as debt obligations without substantial equity features for purposes of the Plan Asset Regulations. If the Authority's or Indenture's assets were deemed to constitute “plan assets” pursuant to the Plan Asset Regulations, transactions that the Authority, TJUs or Bond Trustee might enter into, or may have entered into in the ordinary course of business, might constitute non-exempt prohibited transactions under ERISA or the Code. Therefore, a Plan fiduciary should consult with its counsel prior to making such purchase.

Prohibited Transaction Exemptions. However, without regard to whether the Series 2024C Bonds are treated as debt obligations without substantial equity features for such purpose, the acquisition or holding of Series 2024C Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Authority or Bond Trustee, and other parties connected with the offering (such as the Underwriters), or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. In such case,

certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the Plan fiduciary making the decision to acquire the Series 2024C Bonds. These are commonly referred to as prohibited transaction class exemptions or “PTCEs.” Included among these exemptions are:

- a. PTCE 75-1, which exempts certain transactions between a Benefit Plan and certain broker dealers, reporting dealers and banks;
- b. PTCE 96-23, which exempts certain transactions effected at the sole discretion of an “in house asset manager” (an “INHAM”);
- c. PTCE 90-1, which exempts certain investments by insurance company pooled separate accounts;
- d. PTCE 95-60, which exempts certain transactions effected on behalf of an “insurance company general account”;
- e. PTCE 91-38, which exempts certain investments by bank collective investment funds; and
- f. PTCE 84-14, which exempts certain transactions effected at the sole discretion of a “qualified professional asset manager” (a “QPAM”).

Note that IRAs, and certain other plans described in Section 4975(e)(1) of the Code, are typically not represented by banks, insurance companies or registered investment advisors so that, practically speaking, these status-based exemptions may not be available.

There is also a statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (which may be available to IRAs and other Benefit Plans) which is commonly referred to as the “Service Provider Exemption”. The Service Provider Exemption covers transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of which is a fiduciary with respect to the Plan assets involved (or an affiliate of such a fiduciary).

The availability of each of these PTCEs and/or the Service Provider Exemption is subject to a number of important conditions which the Benefit Plan’s fiduciary must consider in determining whether such exemptions apply. Also, there can be no assurance that all the conditions of any such exemptions will be satisfied at the time that the Series 2024C Bonds are acquired by a purchaser, or thereafter, if the facts relied upon for utilizing a prohibited transaction exemption change, or that the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions. Therefore, a Benefit Plan fiduciary considering an investment in the Series 2024C Bonds should consult with its counsel prior to making such purchase.

Because of the foregoing, the Series 2024C Bonds (and any interest therein) may not be purchased or held by any person investing “plan assets,” of a Benefit Plan, unless such purchase or holding will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or similar violation of any applicable Similar Laws. Any Benefit Plan fiduciary considering whether to purchase the Series 2024C Bonds on behalf of a Benefit Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of employee benefit plans that are not subject to the requirements of ERISA or Section 4975 of the Code should seek similar counsel with respect to the application of similar prohibitions under Similar Laws.

Representations.

BY ITS ACQUISITION OF THE SERIES 2024C BONDS (OR ANY INTEREST THEREIN) EACH PURCHASER AND SUBSEQUENT TRANSFEREE THEREOF WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT, ON EACH DAY IT HOLDS A SERIES 2024C BOND OR ANY INTEREST

THEREIN, EITHER (a) IT IS NOT A PLAN, SUCH AS AN IRA, AND THAT NO PORTION OF THE ASSETS USED TO ACQUIRE OR HOLD THE SERIES 2024C BONDS CONSTITUTES ASSETS OF A PLAN OR (b) THE ACQUISITION, HOLDING AND DISPOSITION OF A SERIES 2024C BOND (OR AN INTEREST THEREIN) BY A PLAN WILL NOT CONSTITUTE A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS FOR WHICH THERE IS NO APPLICABLE STATUTORY, REGULATORY OR ADMINISTRATIVE EXEMPTION.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing Series 2024C Bonds on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the Series 2024C Bonds. The acquisition, holding and, to the extent relevant, disposition of Series 2024C Bonds by or to any Plan is in no respect a representation by the Authority, Underwriters or TJU (or any affiliates or representatives thereof) that such an investment meets all relevant legal requirements with respect to investments by such Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

State Tax Exemption

Co-Bond Counsel are of the opinion that interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax, under the laws of the Commonwealth of Pennsylvania as enacted and construed on the date of initial delivery of the Bonds. Co-Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the Commonwealth of Pennsylvania.

Additional Matters

The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the dates of issuance and delivery of the Bonds, and Co-Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Series 2024B Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

See APPENDIX E hereto for the proposed Forms of Co-Bond Counsel Opinions.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and delivery of the Bonds will be passed upon by Ballard Spahr LLP, Philadelphia, Pennsylvania, Andre C. Dasent, P.C., Philadelphia, Pennsylvania, and John A. Schwab, Esquire, Pittsburgh, Pennsylvania, Co-Bond Counsel, whose approving opinions will be delivered with the Bonds (the proposed forms of which are set forth as APPENDIX F – “Forms of Co-Bond Counsel Opinions” attached hereto).

Certain legal matters will be passed on for Jefferson by the Office of University Counsel and Ballard Spahr LLP, Philadelphia, Pennsylvania, in its capacity as counsel, including Disclosure Counsel, to TJU; for the Authority by its counsel, Barley Snyder LLP, Lancaster, Pennsylvania; and for the Underwriters by their counsel, Hawkins Delafield & Wood LLP, New York, New York.

NEGOTIABLE INSTRUMENTS

The Act provides that bonds of authorities created thereunder shall have all the qualities of negotiable instruments under the law merchant and the negotiable instruments law of the Commonwealth.

VESTED RIGHTS

In the Act, the Commonwealth pledges that it will not limit or alter the rights vested in the Authority until the bonds of the Authority together with the interest thereon are fully met and discharged.

UNDERWRITING

The Bonds are being purchased by the Underwriters identified on the cover page of this Official Statement (the “Underwriters”) for whom J.P. Morgan Securities LLC (“JPMS”) is acting as representative. The Underwriters have agreed to purchase the Bonds at an aggregate purchase price of \$_____, which purchase price equals the aggregate principal amount of the Bonds, [plus/less] [net] original issue [premium/discount] of \$_____ less an underwriter’s discount of \$_____. The bond purchase contract for the Bonds provides that the Underwriters will not be obligated to purchase any Bonds if all the Bonds are not available for purchase. The initial public offering prices set forth on the inside front cover page may be changed without notice by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at prices lower than the offering price set forth on the inside front cover page hereof. TJU and the Obligated Group have agreed to indemnify the Underwriters and the Authority against certain civil liabilities, including certain liabilities arising out of incorrect statements or information in this Official Statement.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for TJU and the Obligated Group, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of TJU and the Obligated Group.

JPMS, an Underwriter of the Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

The following paragraph has been furnished by BofA Securities, Inc. for inclusion in this Official Statement:

BofA Securities, Inc., as an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Neither the Authority nor TJU has been furnished with any documents relating to the MLPF&S distribution agreement referenced above and make no representations of any kind with respect thereto. Neither the Authority nor TJU is a party to such distribution agreement and has not entered into any agreement or arrangement with MLPF&S with respect to the offering and sale of the Bonds.

The following paragraph has been furnished by PNC Capital Markets LLC for inclusion in this Official Statement:

PNC Capital Markets LLC and PNC Bank, National Association are both wholly owned subsidiaries of The PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association has other banking and financial relationships with TJU and the Obligated Group. PNC Bank, National Association is expected to provide credit support in the form of a direct pay letter of credit for a portion of the Series 2024D Bonds.

PNC Capital Markets LLC and its affiliates, including but not limited to PNC Bank, National Association, comprise a full-service financial institution engaged in various activities, including securities trading, commercial and investment banking, corporate and investment advisory services, investment management, and brokerage activities for a wide range of corporations, municipal and nonprofit entities, and individuals. PNC Capital Markets LLC may engage PNC Investments LLC, to sell the Authority and TJU's securities to retail investors.

A portion of the proceeds of the Bonds may be used to repay outstanding bonds or credit facilities currently held by PNC Bank, National Association. Accordingly, an affiliate of PNC Capital Markets LLC may receive a portion of the proceeds from the issuance of the Bonds contemplated herein.

RATINGS

S&P Global Ratings, Inc. ("S&P") and Fitch Ratings ("Fitch") have issued a rating of "A" (stable outlook) and "A" (stable outlook), respectively, to the Bonds. Such ratings reflect only the views of the respective ratings services at the time the ratings were assigned, and the Obligated Group does not make any representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The Members of the Obligated Group furnished S&P and Fitch with certain information and materials relating to the Bonds and the Obligated Group that have not been included in this Official Statement. Generally, each rating agency bases its rating on the information and materials so furnished and on investigations, studies and assumptions by such agency. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency providing the rating, circumstances so warrant. Neither the Obligated Group nor the Underwriters have undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal. Any such downward change in, or withdrawal of, such rating may have an adverse effect on the market price or marketability of the Bonds.

Moody's Investors Service, Inc. ("Moody's") has issued the rating of "A3" (stable outlook) on the Bonds. TJU has requested Moody's to withdraw such rating. No assurance can be given that Moody's will withdraw such rating. In addition, Moody's has issued ratings on certain outstanding indebtedness of TJU and LVHN. Information about these ratings is available from Moody's and other publicly available resources.

LITIGATION

The Authority

There is no litigation of any nature pending or threatened against the Authority at the date of this Official Statement involving the right of the Authority to enter into the Bond Indentures or Loan Agreements, or to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or the security provided for the payment of the Bonds or the existence or powers of the Authority.

TJU and the Obligated Group

As of the date hereof, there is no litigation pending or threatened involving the right of TJU and the Obligated Group to enter into the Loan Agreements or the Master Indenture or to issue the Master Notes. No litigation or proceedings are pending or, to the knowledge of the Members of the Obligated Group, threatened, against them except

(a) litigation and proceedings involving claims for hospital professional liability in which the probable recoveries and estimated costs and expenses of defense, in the opinion of counsel to the Obligated Group, will be entirely within the Obligated Group's applicable insurance policy limits (subject to applicable deductibles which the Members of the Obligated Group believe will be within their resources to pay) and (b) litigation and proceedings other than those described in (a), which if adversely determined would not, in the opinion of such counsel, materially adversely affect the financial condition or results of operations of the Members of the Obligated Group, the transactions contemplated by this Official Statement or the validity of the Loan Agreements or the Master Indenture and the issuance of Master Notes if any Member of the Obligated Group were found liable under such proceedings. See also "APPENDIX A — DESCRIPTION OF JEFFERSON - LITIGATION" attached hereto.

INDEPENDENT AUDITORS

The financial statements of TJU, as of and for the years ended June 30, 2024 and 2023, included in this Official Statement, have been audited by PricewaterhouseCoopers LLP, Independent Auditors, as stated in their report appearing herein. Such audited financial statements include the results of certain subsidiary organizations of TJU that are not members of the Obligated Group and therefore have no obligation with respect to the Bonds. The financial statements of LVHN, as of and for the years ended June 30, 2024 and 2023, included in this Official Statement, have been audited by KPMG LLP, independent accountants, as stated in their report appearing herein.

FINANCIAL ADVISOR

In connection with the authorization, sale and issuance of the Bonds, TJU has retained Echo Financial Products, LLC, Wayne, Pennsylvania, as its Financial Advisor (the "Financial Advisor"). The Financial Advisor assisted in matters relating to the planning, structuring and issuance of the Bonds. However, it is not obligated to undertake, and has not undertaken, either to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto and is not obligated to review or ensure compliance with the undertaking by TJU to provide continuing secondary market disclosure. The Financial Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading, or distribution of municipal or other public securities.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Causey Demgen & Moore P.C. will deliver a report dated as of the closing date for the Bonds, verifying the accuracy of the mathematical computations of the adequacy of the maturing principal amount of non-callable United States obligations and the interest income to be realized thereon and/or uninvested cash, if any, to provide for the redemption price of and interest on all or a portion of the Refunded Bonds on each respective redemption date.

CONTINUING DISCLOSURE

In order to satisfy the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, TJU and the Bond Trustee will enter into a Continuing Disclosure Agreement for the benefit of the owners of the Series 2024B-1 Bonds and the Series 2024C Bonds (the "Series 2024B-1/C Continuing Disclosure Agreement") and a Continuing Disclosure Agreement for the benefit of the owners of the Series 2024B-2 Bonds (the "Series 2024B-2 Continuing Disclosure Agreement" and, together with the Series 2024B-1/C Continuing Disclosure Agreement, the "Continuing Disclosure Agreements"). The form of the Continuing Disclosure Agreements is attached hereto as APPENDIX F. Pursuant to the Continuing Disclosure Agreements, TJU will agree to provide to the Municipal Securities Rulemaking Board (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") System, not later than 150 days after the end of each Fiscal Year of the Members of the Obligated Group, commencing with the Fiscal Year ending June 30, 2025, certain financial information and other operating data with respect to the Members of the Obligated Group and to provide in a timely manner not in excess of 10 business days after the occurrence of the event, notice to the MSRB of certain events with respect to the Bonds.

The obligations of TJU under the Continuing Disclosure Agreements shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds, as applicable. TJU shall direct the Bond Trustee to notify

each Repository that the obligations of TJU under the applicable Continuing Disclosure Agreement have terminated. If the obligations of TJU under a Loan Agreement are assumed in full by another obligated person, such person shall be responsible for compliance with the applicable Continuing Disclosure Agreement in the same manner as if it were TJU, and TJU shall have no further responsibility thereunder.

The failure by TJU to comply with their obligations under the Continuing Disclosure Agreements will not constitute a default under the Bond Indentures, the Loan Agreements, the Master Indenture or the Bonds.

LVHN entered into written undertakings to provide ongoing disclosure in accordance with the Rule in connection with the issuance of certain publicly issued bonds. During the past five years, LVHN was late in filing its audited financial statements for fiscal year ended June 30, 2019, was late in filing certain annual financial information and operating data for fiscal years ended June 30, 2020 through 2023, failed to link certain filings to certain outstanding CUSIPs and, further, failed to provide certain operating data for fiscal years ended June 30, 2019 through 2023, in accordance with the requirements of such undertakings, and subsequently did not provide notice of such failure to file. LVHN has since made a supplemental filing to provide notice of the aforementioned failures to file. When it joins the Obligated Group on the date of issuance of the Bonds, LVHN's operational and financial information after fiscal year ended June 30, 2024 will be reported as part of the Obligated Group's continuing disclosure filings under the Rule as discussed herein.

CERTAIN RELATIONSHIPS

Ballard Spahr LLP, which is acting as Bond Counsel and as counsel to TJU and the Obligated Group in connection with the issuance of the Bonds, represents TJU and the Obligated Group from time to time in matters unrelated to the issuance of the Bonds.

A portion of the proceeds of the Bonds is being applied to refinance existing indebtedness and to the refunding of the Refunded Bonds. JPMS and BofA Securities, Inc., underwriters for the Bonds, or affiliates thereof, will receive a portion of the proceeds of the Bonds in connection with such refinancings and refundings. JPMS, BofA Securities, Inc. and PNC Capital Markets LLC, underwriters for the Bonds, or affiliates thereof, maintain revolving lines of credit with members of the Obligated Group. Such credit facilities include covenants in addition to those set forth in the Master Indenture. JPMS, or an affiliate thereof, will be the bondholder of the Series 2024E Bonds. An affiliate of JPMS is also the dealer manager in connection with the tender offer of the Series 2022A Bonds.

OTHER MATTERS

The Authority has furnished only the information included herein under the sections entitled "THE AUTHORITY," and "LITIGATION – The Authority." Any statements herein involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The description in this Official Statement (including Appendices) of provisions of the Bonds, the Bond Indentures, the Loan Agreements, the Master Indenture and the Continuing Disclosure Agreements and all references to other materials not purporting to be quoted in full, are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. For a complete statement of the provisions of such, reference is made to the documents in their entireties, copies of which are available from the Underwriters prior to Closing and thereafter will be on file at the corporate trust office of the Bond Trustee in Philadelphia, Pennsylvania.

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This Official Statement and its distribution and use by the Underwriters has been duly authorized by the Obligated Group and the execution and delivery thereof has been duly authorized and approved by the Obligated Group.

THOMAS JEFFERSON UNIVERSITY, as
Combined Group Agent

By: _____

APPENDIX A

DESCRIPTION OF JEFFERSON

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In addition to the information provided in the Official Statement, including the forepart and each of the other appendices attached thereto, relating to the Pennsylvania Higher Educational Facilities Authority, Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 and Series B-2 and the Pennsylvania Higher Educational Facilities Authority, Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C (collectively, referred to herein as the “Series 2024 Fixed Rate Bonds”), Thomas Jefferson University, a Pennsylvania nonprofit corporation (“TJU”), has provided the following description of TJU and its various affiliates and subsidiaries. A complete review of this Appendix A, together with the forepart of the Official Statement and all other appendices attached thereto, is essential to the making of an informed investment decision by any purchaser of the Series 2024 Fixed Rate Bonds. In making an informed investment decision relating to the Series 2024 Fixed Rate Bonds, a potential purchaser should not conclude that the presentation of information in this Appendix A, versus presentation of information in the forepart of the Official Statement, denotes that the information so provided in this Appendix A is of less relevance or importance than the information set forth in the forepart of the Official Statement.

TJU has not authorized anyone to give any information or to make any representations not contained herein or supplemental hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. The delivery by TJU of the information contained herein shall not, under any circumstances, create any implication that there has been no material change in the affairs of TJU since the date of the Official Statement. All capitalized terms used herein and not otherwise expressly defined herein shall have the respective meanings set forth in the Official Statement.

Information included in this Appendix A includes forward-looking statements about the future that are necessarily subject to various risks and uncertainties (the “Forward-Looking Statements”). These Forward-Looking Statements are (i) based on the beliefs and assumptions of management of TJU and on information currently available to such management; and (ii) often identifiable by words such as “estimates,” “expects,” “expected,” “plans,” “believes” and similar expressions.

Events that could cause future results to differ materially from those expressed in or implied by Forward-Looking Statements or historical experience include the impact or outcome of many factors that are described throughout this Appendix A and the rest of the Official Statement. Although the ultimate impact of such factors is uncertain, they may cause future performance to differ materially from results or outcomes that are currently sought or expected by TJU. See also, “BONDHOLDERS’ RISKS” in the front part of the Official Statement.

Unless otherwise noted, all information provided in this Appendix A, including the information in the tables, has been provided by TJU.

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INTRODUCTION

Thomas Jefferson University (“TJU”), a nonprofit corporation formed exclusively for charitable, scientific and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), is the parent organization of an institution of higher education and academic medical center (the “University”), and one of the largest health care systems in the Commonwealth of Pennsylvania (the “Commonwealth”) and the Delaware Valley (as more fully described below, “Jefferson Health” and, together with the University, “Jefferson”). Jefferson’s vision is “reimagining health, education and discovery to create unparalleled value.” Its mission, simply stated, is “improving lives,” by affording patient access to high-quality health care in an evolving healthcare delivery system; integrating care-delivery and payment systems to provide comprehensive solutions to the patients and the communities served by Jefferson; and preparing students for the future of work, while also engaging in groundbreaking research and creative discovery.

On August 1, 2024, the terms of a System Integration Agreement dated as of May 14, 2024 (the “LVHN System Integration Agreement”) between Lehigh Valley Health Network, Inc. (“LVHN”) and TJU became effective. Under the terms of the LVHN System Integration Agreement, TJU and LVHN will continue to integrate clinical care, operations and identity to create a regional system.

Jefferson is a center of innovation and an economic engine for the Commonwealth. It is among the top five largest employers in the Commonwealth and is the largest private employer in the City of Philadelphia (the “City” or “Philadelphia”). Since the integration with LVHN, Jefferson employs over 65,000 people in Pennsylvania and New Jersey. A sampling of Jefferson’s core enterprise strengths include:

- *Jefferson has a 200-year history of educating health providers, including being the second medical school in the U.S. with a separate teaching hospital.*
- *One of the top 15 Nationally Ranked Integrated Care Delivery Systems with revenues of \$14.5 billion, 32 hospitals and over 360 sites of care delivery, and a University educating 9,400 students using a profession-based curriculum.*
- *2nd ranked hospital in Pennsylvania and in the Philadelphia Metro area (Thomas Jefferson University Hospital) and Nationally Ranked in 7 adult specialties by US News and World Report.*
- *Jefferson Moss-Magee Rehabilitation Hospital – Elkins Park (previously MossRehab) ranked #1 in Pennsylvania and #8 in the U.S. by US News and World Report.*
- *Home of the Sidney Kimmel Cancer Center designated as a Comprehensive Cancer Center – one of 57 in the country.*
- *The University ranked No. 48 (out of 400) in the country, 36 for social mobility and 42 for salary impact with a 97% undergraduate employment & graduate school placement rate (Wall Street Journal). Several programs that rank in the top 10 of US News & World Report. Fashion Design ranked Fashion Merchandising and Management programs #9 in the country.*

As more fully described under “Enterprise Organizational Structure” below, Jefferson consists of three enterprise units – Health System, University and Health Insurance.

Clinical

TJU is the sole corporate member of Jefferson Health Corporation, which is a nonprofit corporation and an organization described in Section 501(c)(3) of the Code. Jefferson Health Corporation and each of its other operating subsidiaries, and other companies and ventures operated by Jefferson Health Corporation, are collectively referred to herein as “Jefferson Health.” Jefferson Health, the largest provider of health care services in the greater metropolitan area of Philadelphia, had a combined 28.2% inpatient market share in calendar year 2023 in its primary service area. Jefferson Health has experienced significant growth in recent years, including the most recent combination with LVHN, which had a combined 48.2% inpatient market share in calendar year 2023 in its primary service area. Prior to the effective date of the LVHN System Integration Agreement, Jefferson Health (referred to herein prior to the effective date of the LVHN System Integration Agreement as “Legacy TJU”) included 17

hospitals and medical centers with over 160 sites of care, while LVHN (referred to herein prior to the effective date of the LVHN System Integration Agreement as “Legacy LVHN”) included 15 hospitals and medical centers with over 200 sites of care. With the combination of Legacy TJU and Legacy LVHN, Jefferson Health has over 360 sites of care delivery across a broad footprint in eastern Pennsylvania and southern New Jersey. As of June 30, 2024, Jefferson Health recorded over 235,000 inpatient visits, 915,000 emergency visits, and 2.9 million hospital outpatient visits. See the table titled “SELECT OPERATING STATISTICS FOR REGIONAL HEALTH SYSTEMS” set forth in “HEALTHCARE SERVICE AREA, DEMOGRAPHICS AND COMPETITIONS – Service Area Position” herein.

See “ABOUT JEFFERSON HEALTH” herein for a more detailed discussion of Jefferson’s healthcare activities.

Healthcare Insurance Plans

Health Partners Plans, Inc. (“HPP”), a controlled affiliate of TJU, is a hospital-owned, nonprofit health maintenance organization (MCO), providing access to healthcare services on a prepaid basis. HPP is licensed to operate throughout the Commonwealth for both Children’s Health Insurance Program (“CHIP”) and Medicaid lines of business, serving more than 333,000 members in the Commonwealth. Further, HPP operates Medicare Advantage in Pennsylvania and New Jersey, has a preferred provider organization (“PPO”) product, and an Affordable Care Act (“ACA”) product in Pennsylvania. Total health plan membership in all of these lines of business is approximately 360,000 members.

HPP also serves as the operational partner, under a management services agreement for each TJU affiliate insurance company – Partners Insurance Company, Inc. and Partners Insurance Company of New Jersey, Inc.

See “INSURANCE OFFERINGS” herein for a more detailed discussion of HPP.

HPP is a Designated Affiliate under the Master Indenture and not a Member of the Obligated Group (as such terms are defined in “SECURITY AND SOURCES OF PAYMENT – The Master Indenture” in the forepart of the Official Statement and “APPENDIX D — THE MASTER INDENTURE” attached to the Official Statement).

Education and Research

TJU includes ten colleges, three schools and two institutes located primarily on two campuses in Philadelphia (the “Center City Campus” and the “East Falls Campus”). The East Falls Campus was formerly Philadelphia University and is the primary location for TJU’s undergraduate programs. The Center City Campus is the primary location for TJU’s graduate programs. The ten colleges are:

- Sidney Kimmel Medical College, one of the oldest and largest private medical colleges in the United States
- Jefferson College of Life Sciences
- Jefferson College of Population Health
- Jefferson College of Nursing
- Jefferson College of Pharmacy
- Jefferson College of Humanities and Sciences
- Jefferson College of Rehabilitation Sciences
- Jefferson College of Health Professions, including the Institute of Emerging Health Professions
- Kanbar College of Design, Engineering and Commerce, which includes the School of Business and the School of Design and Engineering, and Jefferson Institute for Bioprocessing
- College of Architecture and the Built Environment

The ten colleges had a total annual enrollment of approximately 7,400 student FTEs for the 2023-2024 academic year, including 1,086 students enrolled in the Sidney Kimmel Medical College.

The University's academic activities are supported by endowments, tuition and fee revenues, gifts and other sources. As a major scientific and medical research center, the University also receives revenues from research and other grants and contracts with federal, state and local governments, and private industry.

See "EDUCATIONAL ACTIVITIES" and "RESEARCH ACTIVITIES" herein for a more detailed discussion of the University's educational and research activities.

History of Jefferson

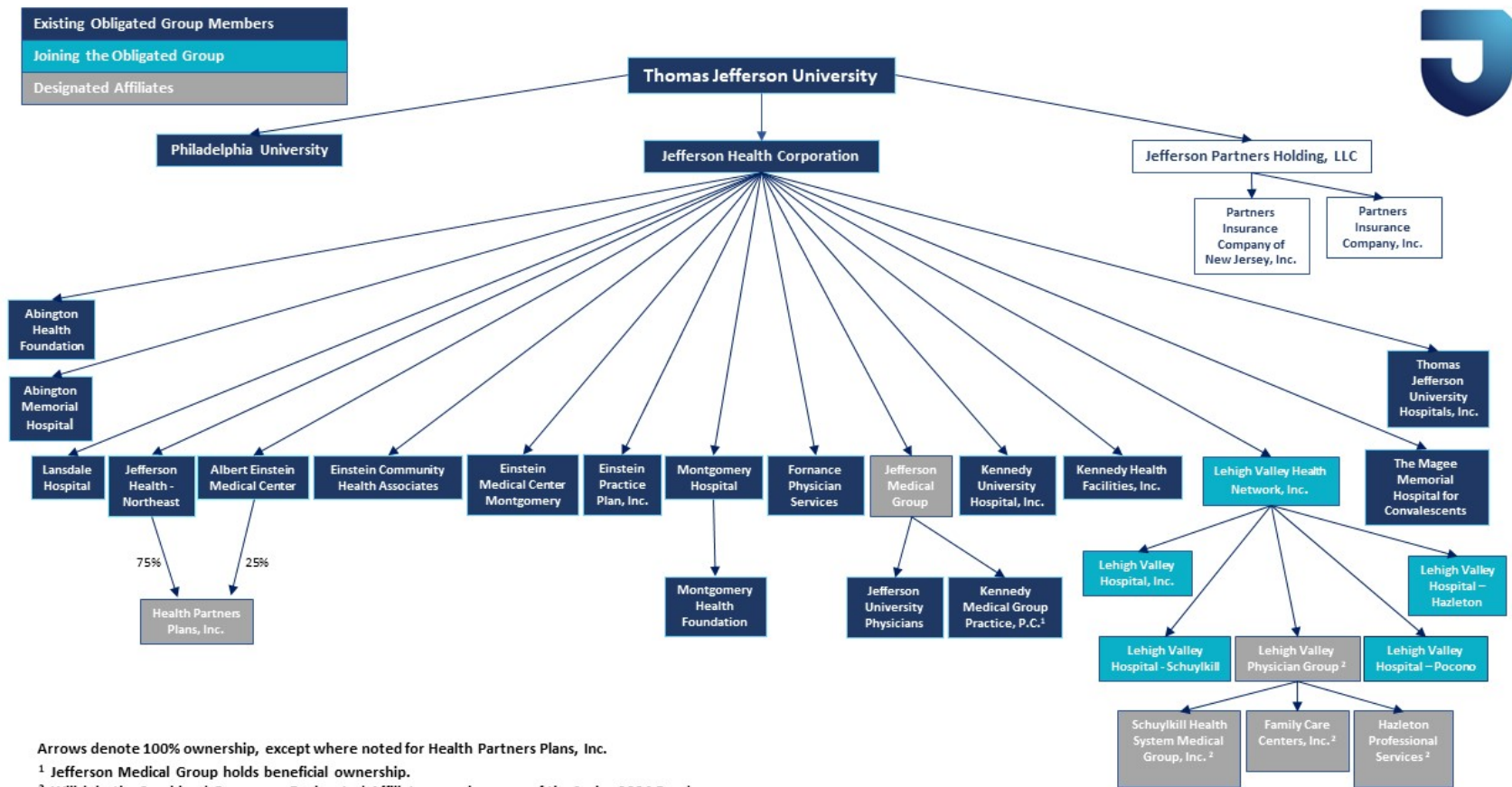
The following is a brief overview of the founding of TJU and certain controlled affiliates, and their combination to create the University and Jefferson Health. See "ABOUT JEFFERSON HEALTH" in this Appendix A for additional information concerning the aforementioned and certain other entities comprising Jefferson Health.

TJU	- Founded as a medical college in 1824 - Opened first free-standing hospital in 1887 - Established as an accredited university in 1969
Thomas Jefferson University Hospitals, Inc.	- Established as a controlled affiliate of TJU in 1995 - Owned and operated three separate hospital divisions by 2013
Jefferson University Physicians and Jefferson Medical Group	- Jefferson University Physicians ("JUP") was established for operation and growth of TJU clinical practices in 1995 - TJU reorganized certain physician practices, including JUP, under the new Jefferson Medical Group parent company in 2023
Jefferson Abington Hospital (formerly Abington Health)	Consists of a teaching hospital, a community hospital and other healthcare facilities in Montgomery and Bucks Counties; became a controlled affiliate of TJU in 2015
Jefferson Health – Northeast System (formerly Aria Health System)	Consists of a three-location acute care hospital, a network of outpatient centers and physicians with facilities in Philadelphia and Bucks Counties; became a controlled affiliate of TJU in 2016
Philadelphia University	Became a controlled affiliate of TJU in 2016
Kennedy Health System	Consists of three acute care hospitals, a network of outpatient centers and physicians with facilities in southern New Jersey; became a controlled affiliate of TJU in 2017
The Magee Memorial Hospital for Convalescents	A specialty medical rehabilitation hospital based in Center City, Philadelphia; became a controlled affiliate of TJU in 2017
Albert Einstein Healthcare Network	A three-location acute care hospital, including an academic medical center, a network of outpatient centers and physicians with facilities in Philadelphia, Montgomery and Bucks Counties; became a controlled affiliate of TJU in 2021
Health Partners Plans, Inc.	A health maintenance organization; became a fully owned controlled affiliate of TJU in 2021
Jefferson Health Corporation	Parent company created in connection with a reorganization of TJU's health systems operations on June 30, 2024
Lehigh Valley Health Network, Inc.	Network of 15 acute care hospitals and more than 200 sites of care in eastern Pennsylvania became a controlled affiliate of Jefferson Health Corporation on August 1, 2024

Organizational Structure; Combined Group and Designated Affiliates

The organizational chart below depicts generally the core organizations comprising Jefferson's three enterprise units – Health System, University and Health Insurance, and includes the legacy obligated groups of TJU and LVHN under their respective master trust indentures. Upon the issuance of the Series 2024 Fixed Rate Bonds, the LVHN entities depicted will be merged into the Combined Group under the Master Indenture as shown. The Combined Group includes: TJU, as the Combined Group Agent under the Master Indenture and a Member of the Obligated Group, all other Members of the Obligated Group, and all Designated Affiliates. Under the Master Indenture, each Member of the Obligated Group has jointly and severally covenanted that it will promptly pay the principal of, premium if any, interest on, and all other amounts due under every Obligation issued under the Master Indenture. Further, each Member of the Obligated Group has pledged its Gross Revenues to secure the Obligations issued under the Master Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 FIXED RATE BONDS – Master Indenture" in the forepart of the Official Statement and "APPENDIX D — THE MASTER INDENTURE" attached to the Official Statement.

For the fiscal year ended June 30, 2024 (assuming Jefferson, as currently constituted including LVHN, existed during such period), the Members of the Obligated Group together constituted approximately 78.0% of the unaudited consolidated pro forma Jefferson revenues and approximately 85.7% of the unaudited consolidated pro forma Jefferson assets. The Combined Group comprised approximately 97.9% of the unaudited consolidated pro forma Jefferson revenues and approximately 95.2% of the unaudited consolidated pro forma Jefferson assets.



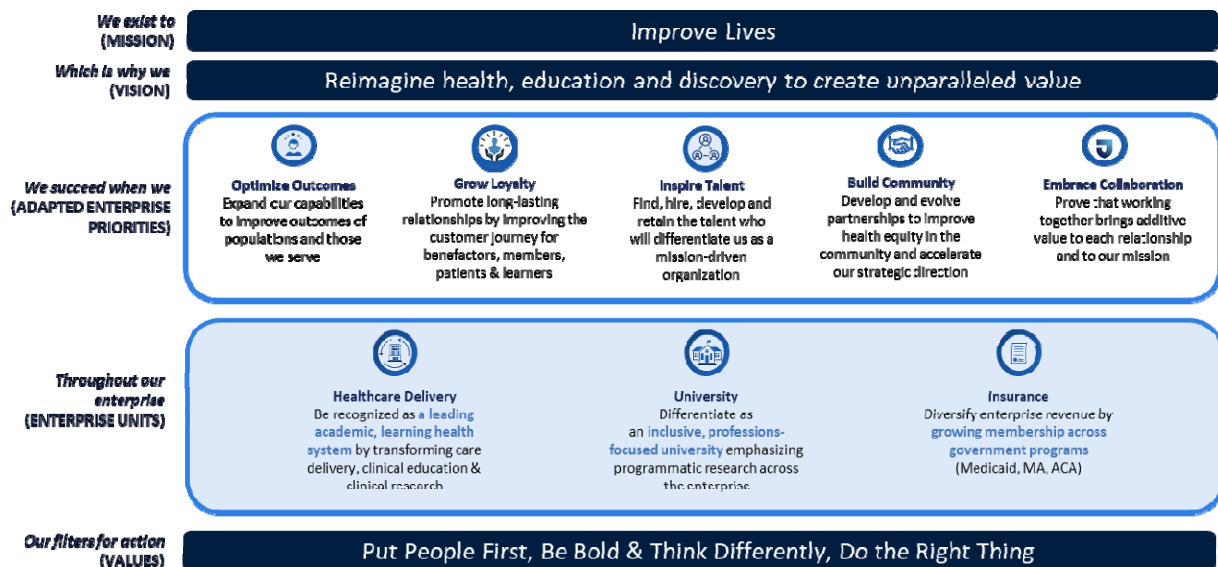
Enterprise Organizational Structure

Jefferson has three enterprise units – Health System, University and Health Insurance. All units support Jefferson’s mission of “Improving Lives”. Each unit is supported by enterprise corporate services (such as Information Services and Technology, Finance, Legal, Strategy and Business Development, and Human Resources).

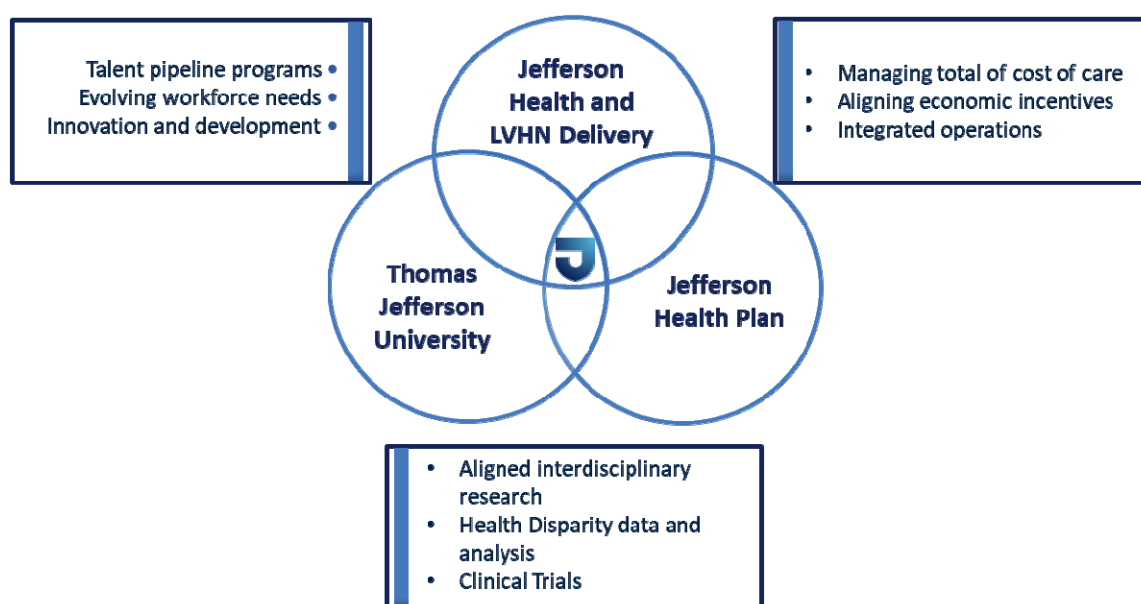


Enterprise Strategy

In pursuit of Jefferson’s Mission, “Improving Lives,” an “Enterprise Strategy Map” was developed to set the course for Jefferson’s future state and adapt enterprise priorities. These priorities are supported by all enterprise units with specific imperatives for each unit.

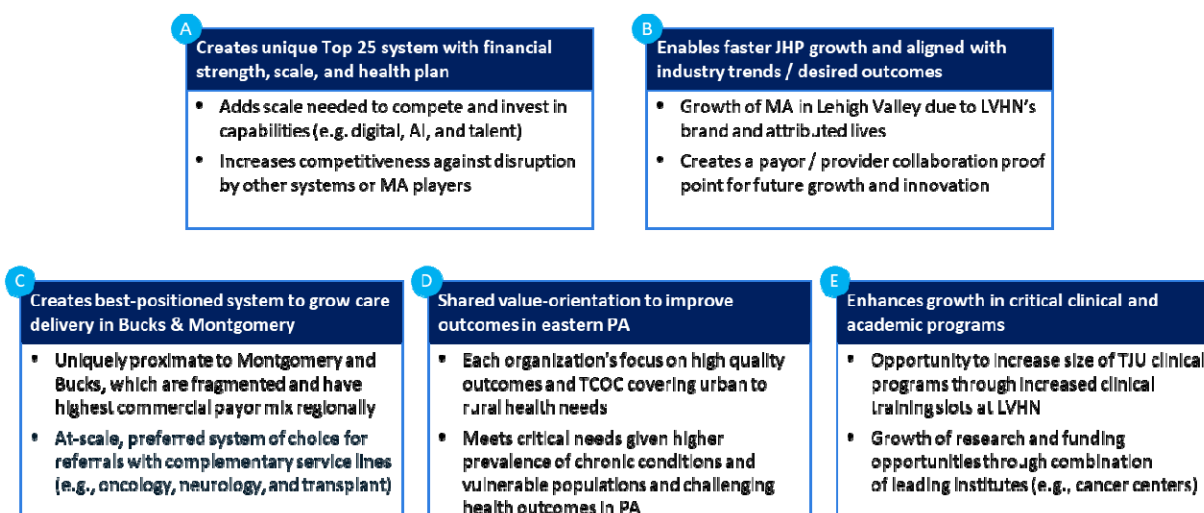


Jefferson is unlocking enterprise value by emphasizing vertical optimization for each unit and accelerating horizontal integration between these units. This will enable Jefferson not only to perform as an integrated delivery financing system (“IDSF”), but also to differentiate itself as a super-regional integrated care delivery network.

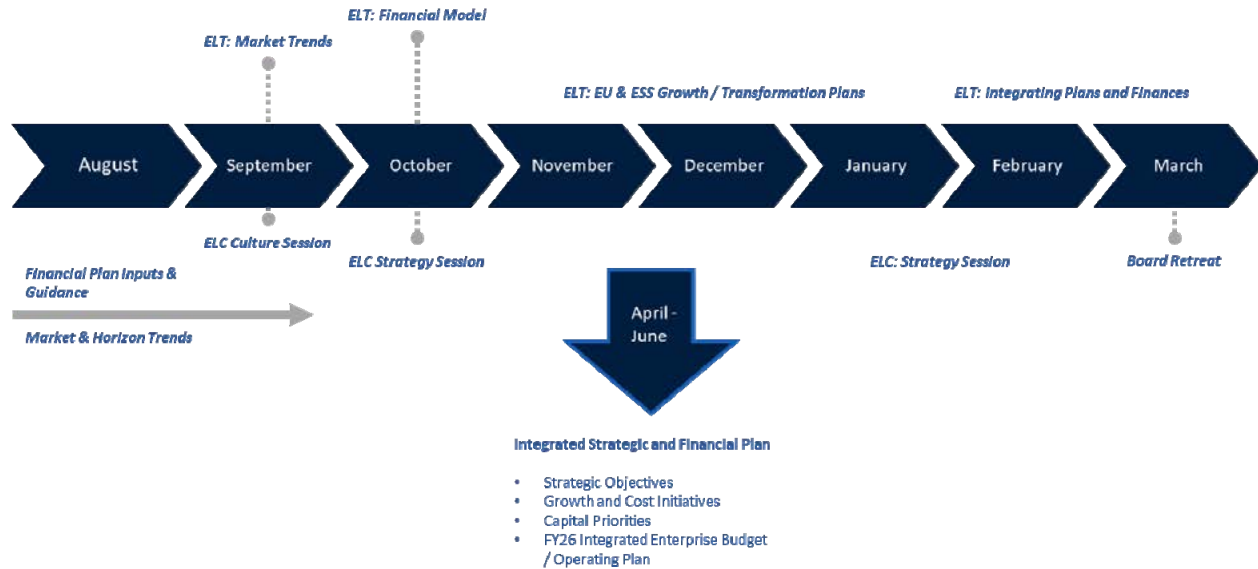


Jefferson – LVHN Combination

In pursuit of Jefferson’s strategy, the LVHN combination presented a strategic opportunity. It allows the combined enterprise to add scale to compete and invest in capabilities, enable faster insurance growth, and enhance growth in the academic and clinical programs. To that end, guided by core integration principles, TJU and LVHN teams underwent a strategic integration planning process and identified financial and non-financial synergies and improvement opportunities.



In order to support enterprise growth and integration, Jefferson will implement a disciplined strategic planning process intended to build on financial plan inputs and guidance, and develop growth and cost initiatives, capital priorities, and a fiscal year 2026 integrated enterprise budget and operating plan.



Investment in Future and Ongoing Initiatives

Jefferson's continued investment in its future is further evidenced by its commitment to the following developments and ongoing initiatives:

Programs of Excellence – Emphasis on clinical specialties such as cancer, neuroscience, heart and vascular, transplant and women's health

Same Day/Next Day Appointments – A virtual care model with near to immediate access for newly diagnosed cancer patients. Approximately 25-30 patients per week are seen within one day of contact

Cellular Therapy Division – The transplant and cellular therapy program is a comprehensive patient care collaboration across Sidney Kimmel Cancer Center and non-oncological departments to pursue growth in CAR-T cell therapies and blood marrow transplant services

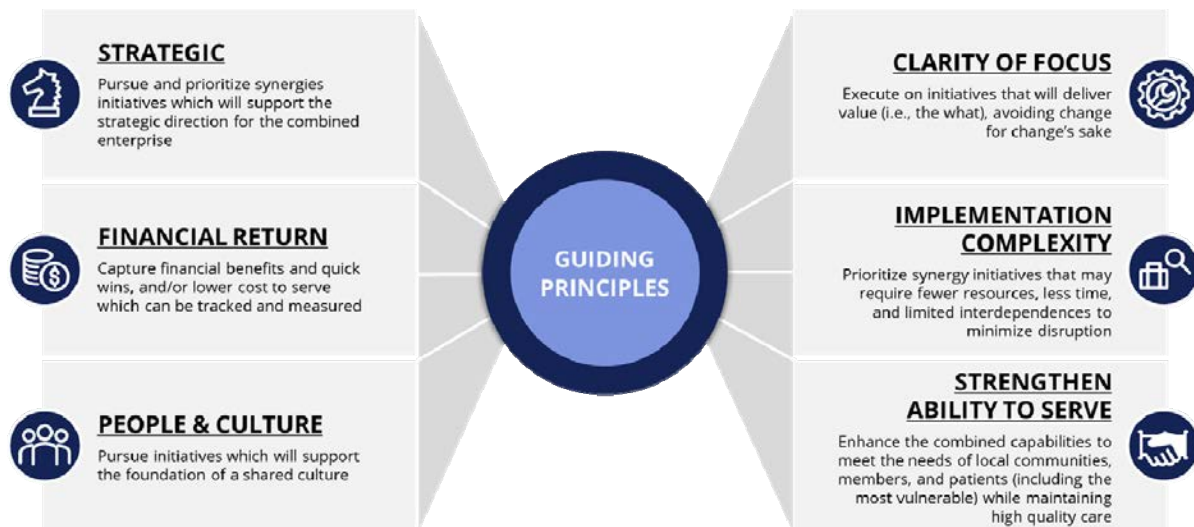
Operating Room Capabilities & Surgical Suites – Modernizing and expanding operating room and surgical suite capabilities to drive durable margin generation through hospital optimization projects and site of care strategies

Digital Health and Virtual Care

- 24/7/365 access asynchronously and on-demand urgent care
- Virtual check-out, allowing 600 patients per day to check out from their own exam rooms
- Inpatient telemedicine in 200 rooms
- All clinical specialties see patients virtually, with approximately 2,000 visits per day

AI Center of Excellence

- Align with strategic direction, provide ethical oversight, engage stakeholders and recommend artificial intelligence initiatives
- Advance the understanding and appropriate integration of artificial intelligence in clinical, research, operational and financial domains
- Identify opportunities to advance enterprise artificial intelligence capabilities



The 2024 Project

TJU expects to use the proceeds of the Series 2024 Fixed Rate Bonds, along with other sources of funds, to pay costs of the 2024 Project (defined below) and costs of issuance of the Series 2024 Fixed Rate Bonds. See also “PLAN OF FINANCE” in the forepart of the Official Statement. The “2024 Project” consists of (A) the payment of (or the reimbursement to TJU for) the costs of the acquisition by TJU of its sole corporate membership interest in LVHN related to the payment or defeasance of all or a portion of indebtedness previously issued for the benefit of LVHN and the current refunding of all or a portion of indebtedness previously issued for the benefit of TJU; and (B) the “New Money Project”, which consists of the payment of (or the reimbursement to TJU for) the costs for the following projects:

Epic at Jefferson Einstein. This project is to convert Jefferson Einstein from Cerner to Epic. This will provide a common patient and physician experience across the TJU footprint, including self-service via MyChart, single business office customer service, a combined patient statement, and a consistent registration experience.

Jefferson Center City Optimization. The Center City Optimization project will transform and modernize TJUH’s hospital facilities to create a physical environment where staff can continue delivering complex quaternary/tertiary care. The project will fund the expansion and renovation of the emergency department at Thomas Jefferson University Hospital, create a more flexible bed complement, enhance surgical and procedural capacity, enable faculty recruitment, and enhance training and education.

Pocono Mother Baby Unit. Located at the Lehigh Valley Hospital - Pocono in East Stroudsburg, Pennsylvania, the Mother Baby Unit will involve renovating 29,000 square feet of in-patient units to create 13 private postpartum beds, eight nursery bassinets, and six labor delivery rooms. The in-service date is projected for April 2026.

Lehigh Valley Hospital - Muhlenberg Emergency Department Expansion. Located at the Lehigh Valley Hospital - Muhlenberg in Bethlehem, Pennsylvania, the emergency department expansion project will involve constructing a 3-story, 100,000 square foot addition with a helistop on the roof. The program includes 79 new emergency room beds and 26 additional med/surg beds. The in-service date is projected for October 2026.

Hazleton Cancer Center. The Lehigh Valley Hospital - Hazleton Cancer Institute is adjacent to the Lehigh Valley Hospital - Hazleton in Hazleton, Pennsylvania. The facility is a newly constructed, 3-storied, 32,000 square foot building that opened in August 2023. Services provided include Infusion & Oncology with 14 private infusion bays, pharmacy, and support areas; Radiation Oncology with one (1) LINAC and CT Simulation, three (3) exam rooms and support spaces; practice suites with twelve (12) exam rooms and support spaces.

Gilbertsville Facility. The facility that houses the Health Center at Gilbertsville, which opened in July 2024, is a 58,319 square foot health center and medical office building located adjacent to the Lehigh Valley Hospital – Gilbertsville micro-hospital (which opened in early 2024). The Gilbertsville facility is being purchased

from the facility's developer, who initially leased it to LVHN. The Health Center at Gilbertsville offers a broad range of medical services, including Cardiology, Orthopedics and Sports Medicine, Rheumatology, Physiatry, Cardiac Rehabilitation, Pediatrics, Family Medicine, Pulmonary Care, Obstetrics and Gynecology, and Breast Health Services. ExpressCare (urgent care) is also planned.

Future Capital Plans

TJU has identified approximately \$4 billion of capital expenditures to be further assessed by TJU over the next 11 fiscal years. This total includes a portion of the 2024 Project of approximately \$530 million. At the current time, TJU expects to fund future prioritized and selected capital projects from operating cash flow surpluses, philanthropy, TJU Board (as defined herein) designated funds, and potential future debt issuances. No assurance is given that TJU will move forward with any of the identified capital expenditures or not incur additional debt in the future to finance a portion of identified and prioritized capital expenditures.

As part of its definitive agreement with LVHN, TJU has agreed to fund, primarily from cash flow, asset monetization and debt issuance, approximately \$900 million of capital commitments over a three-year period.

TJU established an Enterprise Capital Management Council ("ECMC") charged with establishing a standardized structure and approach to periodically provide advice to the TJU Chief Executive Officer and the TJU Board for the prioritization and deployment of capital on an enterprise basis, consistent with enterprise strategy and goals. The ECMC will advise the TJU Chief Executive Officer with respect to the sequencing and timing of the deployment of capital. Matters considered by the ECMC are subject to final decision-making authority of the TJU Chief Executive Officer.

TJU's ability to execute future capital investments is dependent on a strong balance sheet and capital projects designed to create future margin for additional capital growth, infrastructure, and mission-related requirements. TJU's capital commitments will be supported by enterprise debt capacity, improvements in operating income generated, board designated funds, and philanthropy.

If the enterprise operating performance falls below established thresholds, TJU may revise its capital plan, following consultation with the ECMC by extending the timeline to commence or complete prioritized capital projects.

Potential Future Transactions

As part of its ongoing strategic planning process, from time to time, TJU considers and will consider potential mergers, joint ventures, affiliations, acquisitions, divestitures and similar transactions. Such transactions may result in additional entities becoming part of TJU or its subsidiaries/affiliates in the future; in addition, in certain cases, existing entities may no longer be part of TJU in the future. There can be no assurance as to the impact that any such transaction would have on the operations, properties and financial results of TJU.

FACULTY, STAFF AND EMPLOYEES

Faculty

The University has 3,060 full and part-time employed faculty members, consisting of 1,270 salaried faculty at the Sidney Kimmel Medical College, and 1,790 faculty at the University's other colleges and schools. Sidney Kimmel Medical College has another 3,150 volunteer faculty. The volunteer faculty work at the University's clinical sites where they participate in clinical teaching of students. LVHN has approximately 800 volunteer faculty. The University employs 1,571 adjunct faculty. 134 of the University's faculty are tenured.

Staff and Employees

Jefferson is one of the largest employers in the Philadelphia metropolitan area. Following the effective date of the LVHN System Integration Agreement, Jefferson has approximately 65,000 employees (including the salaried faculty employees described above).

Jefferson has a headcount of approximately 12,742 employed nurses and approximately 64 agency nurses. The nursing voluntary turnover rate is approximately 15.7%.

Approximately 2,019 Legacy TJU employees are represented across six separate unions, each subject to its own collectively bargained contracts (with one contract in the initial negotiation stage). Approximately 1,116 of LVHN's employees are represented across seven separate unions, each subject its own collectively bargained contracts. The collectively bargained contracts have staggered expiration dates. Management considers its relations with its employees to be good.

As a result of a variety of workforce operational improvements initiatives, Jefferson has achieved decreases in premium pay and turnover, and increases in productivity and recruitment, with decreases in overall labor expense favorable against national averages for the past two years. Total premium pay is projected to continue to decrease in 2025.

GOVERNANCE AND MANAGEMENT

Board of Trustees

The business and affairs of Jefferson are overseen by the Board of Trustees of TJU (the "TJU Board" and each member, a "Trustee"), which has all the powers, authority, responsibilities, and obligations given the board of directors of a nonprofit corporation under the laws of the Commonwealth. TJU's bylaws specify that the number of trustees (other than Trustees Emeriti) shall be no fewer than 13 and no greater than 17.

The TJU Board has various standing committees. The Executive Committee has general charge of the affairs of Jefferson and broad powers, including the power to carry out any directions or resolutions of the TJU Board, to transact any business that is committed to it by the TJU Board, as well as other business which may require action between meetings of the TJU Board, except for certain reserved powers delineated in the TJU bylaws. The Executive Committee includes: (i) the Chair of the TJU Board (who serves as Chair of the Committee), the Chairs of the Jefferson Academic Affairs Committee, the Finance Committee, the Human Capital Committee, the Clinical Quality Committee, and the Chief Executive Officer ("CEO"); (ii) up to five other persons appointed by the Chair of the TJU Board, including the predecessor Chair for at least one year following the end of his or her term as Chair, even if he or she is no longer serving as a Trustee. Other than the CEO, members of the Executive Committee may not be employees (including employed physicians) of TJU or any component thereof.

The TJU Board expanded over several years in connection with various mergers. Following a targeted plan to reduce the size of the TJU Board, it now consists of 17 members, including three (3) persons who formerly served on the LVHN Board of Trustees.

The current membership of the TJU Board is as follows:

Patricia D. Wellenbach ¹ , <i>Philadelphia, PA</i>	President and CEO, Please Touch Museum
Michael Sneed ^{2 3} , <i>Newtown, PA</i>	EVP, Global Corporate Affairs, Johnson & Johnson, Retired
Leslie J. McNamara ^{4, 5} , <i>Wilmington, DE</i>	Managing Director, Citigroup, Retired
Joseph G. Cacchione, MD, FACC, <i>Philadelphia, PA</i>	CEO, Thomas Jefferson University
Mimi Drake, <i>Wayne, Philadelphia, PA</i>	Partner, Cerity Partners
Lea Daniels Knight, <i>Flourtown, PA</i>	EVP & Chief Financial Officer, Integra LifeScience
Steven R. Follett, <i>Center Valley, PA</i>	President, CEO and Chairman, Follett Corporation, Retired
John J. Fung, MD, <i>Chicago, IL</i>	Professor of Surgery; Chief, Transplant Surgery, University of Chicago
Matthew S. Levitties ⁶ , <i>Villanova, PA</i>	Managing Director, Versa Capital Management, LLC
John F. Malloy, PhD ⁷ , <i>Bethlehem, PA</i>	Executive Chairman, Victaulic
Andrew Morrisroe ⁸ , <i>Lafayette, Hill, PA</i>	President and CEO, CTN Solutions, Inc.
Debra L. Ness, <i>Rockville, MD</i>	Health Policy Advisor
Kathy O'Brien, <i>Allentown, PA</i>	VP and General Manager, Unilever, Retired
Tim O'Rourke, <i>Burr Ridge, IL</i>	President, Help at Home
Melanie A. Penna, <i>Wilmington, DE</i>	Executive Vice President, Comcast
Ramona Rogers-Windsor, <i>Fort Lauderdale, FL</i>	Managing Director, Northwestern Mutual, Retired
Trista M. Walker, <i>New Hope, PA</i>	President and CEO, Baldwin & Obenauf, Inc.

Emeritus Trustees:

David R. Binswanger, <i>Philadelphia, PA</i>	President and CEO, Binswanger Companies
Lennox K. Black, <i>Limerick, PA</i>	Former CEO, Teleflex Incorporated, Retired
Ira Brind, <i>Philadelphia, PA</i>	President, Brind Investments Partners, Inc.
Richard C. Gozon, <i>Naples, FL</i>	Former Chairman of the Board, Amerisource-Bergen, Retired
Brian G. Harrison, <i>Key West, FL</i>	President and CEO, Granville Company
H. Richard Haverstick, Jr., <i>Medford, NJ</i>	Managing Partner, Ernst & Young LLP, Retired
James E. Ksansnak, <i>Jupiter, FL</i>	Vice Chairman, ARAMARK Corporation, Retired
William A. Landman, <i>Haverford, PA</i>	CEO/Principal, MainLine Investment Partners
Josephine C. Mandeville, <i>Philadelphia, PA</i>	President, The Connelly Foundation, Retired
Britton H. Murdoch, <i>Newtown Square, PA</i>	Managing Director, Strattech Partners
R. Richard Williams, <i>Radnor, PA</i>	Principal, Seaboard Advisors, Ltd

Senior Administrative Officers

The CEO of Jefferson is elected by and serves at the pleasure of the TJU Board. The day-to-day governance of the University is delegated to the President and, through the President, to their assisting officers and the provost, deans, and faculty in each of the colleges and to officers in the University's other controlled affiliates. The day-to-day governance of the clinical business unit, Jefferson Health, and the insurance business unit, Jefferson Health Plans, is delegated to each of its Presidents, and to their assisting officers and senior leadership members of any controlled affiliated entity under each of their business units. The President nominates for approval by the TJU Board all executive vice presidents and certain senior vice presidents, along with all faculty members who are recommended for tenure. The following is a summary of selected biographical information pertaining to the executive cabinet members of Jefferson.

Joseph G. Cacchione, MD, FACC serves as *Chief Executive Officer of Jefferson*, which includes Jefferson Health, Jefferson Health Plans and the University (2022-present). Dr. Cacchione joined Jefferson from Ascension Health, one of the largest private healthcare systems in the U.S., where he was serving as Executive Vice President, Clinical and Network Services (CNS), helping to lead a \$28 billion organization with 165,000 employees

¹ Chair, Board of Trustees, Thomas Jefferson University and Executive Committee

² Chair-Elect of the Board of Trustees, Thomas Jefferson University and Member, Executive Committee

³ Chair, Human Capital Committee

⁴ Vice Chair of the Board of Trustees, Thomas Jefferson University and Member, Executive Committee

⁵ Chair, Governance and Nominating Committee and Member, Executive Committee

⁶ Chair, Finance Committee and Member, Executive Committee

⁷ Observer Member, Executive Committee

⁸ Chair, Jefferson Academic Affairs Committee and Member, Executive Committee

across 145 hospitals and over 2,600 care sites in 19 states and the District of Columbia. prior to that, he served as CEO of Ascension Michigan with 15 hospitals and 22,000 employees. Prior to his time at Ascension Health, Dr. Cacchione spent eight years at the Cleveland Clinic. While there, he played a major enterprise role in business development and served as Chairman of Operations and Strategy for its Heart and Vascular Institute. Before Cleveland Clinic, he served as executive vice president and chief of quality and operations at Saint Vincent's Health System in Erie, Pennsylvania, where he oversaw the development of several service lines, including orthopedics, oncology, neuroscience, and cardiovascular. He spent the first 20 years of his professional career as a private practice cardiologist and large private physician practice executive. Dr. Cacchione is Board Certified in internal medicine, cardiovascular disease, and interventional cardiology and has been recognized many times for his contributions to his field and the institutions he has served. Over the course of his career of more than 30 years, Dr. Cacchione has held numerous leadership roles on a national level and in Pennsylvania for the American College of Cardiology and has served on a number of national and community-based administrative health committees. He has authored and co-authored scholarly papers and presented at national conferences and meetings on healthcare systems, new paradigms in healthcare, cardiology and cardiovascular disease, and healthcare administration. He holds active medical licenses in Ohio, New York, and Pennsylvania.

Brian A. Nester, DO, MBA serves as *Executive Vice President and Chief Operating Officer of Jefferson* with oversight of the Legacy LVHN (2024-present). Prior to the transaction between Jefferson and LVHN, Dr. Nester had served as President and Chief Executive Officer (CEO) of LVHN since 2014. He joined LVHN as the Chairman of the Emergency Department at Lehigh Valley Hospital–Muhlenberg in 1998 and had since served in numerous administrative posts before becoming CEO, including: Associate Vice Chair for the Department of Emergency Medicine, Internship Program Director for the Emergency Medicine Residency Program, Chairman of the Lehigh Valley Physician Hospital Association, Senior Vice President for Physician Hospital Network Development and Chief Strategy Officer. Dr. Nester is a past Board Member of The Hospital Association of Pennsylvania, a past member of the American Hospital Association Regional Policy Board (Region 2) and is a current member of the American Hospital Association Committee on Health Systems. He also served as a member of the Healthcare & Pharmaceutical Management Program Advisory Board at Columbia University and has been a guest lecturer at Columbia University's Graduate School of Business in Mailman School of Public Health on issues related to health care reform, value-based care delivery and strategy for the last 15 years.

Baligh R. Yehia, MD, MPP, MSc FACP serves as *Executive Vice President and President of Jefferson Health & Chief Transformation Officer* (2023-present). Dr. Yehia currently leads operations for Jefferson Health's 18 hospitals and more than 50 outpatient and urgent care locations throughout Pennsylvania and south New Jersey. He works collaboratively with enterprise leaders to enhance patient care, promote clinical engagement, and drive growth across the health system. Dr. Yehia joined Jefferson from Ascension, one of the nation's largest nonprofit health systems, where he served as SVP and President of Ascension Medical Group. In those roles, he led system-wide health operations, and high-priority initiatives, including population health, pharmacy services, behavioral health, virtual care, and graduate medication education. He was responsible for 9,000 clinicians who served more than 3.5 million individuals annually.

Susan C. Aldridge, PhD serves as *Executive Vice President and President of Thomas Jefferson University* (May 2024-present), having served initially as TJU's Interim President of the University from June 2023. Dr. Aldridge also served as a member of the Thomas Jefferson University Board of Trustees from July 1, 2022 to July 21, 2023. Prior to serving as Interim President of the University, Dr. Aldridge held executive leadership positions in some of the country's largest universities. Dr. Aldridge previously held positions as the President of the University of Maryland University College (UMUC), Vice Chancellor for the Global Campus, Troy University, and had recently retired from Drexel University after serving as SVP for online learning and President of Drexel University Online. Dr. Aldridge has been cited twice as one of Washington D.C.'s Top 100 most powerful women and has received numerous awards in recognition of her achievements.

Denise Napier, RN, BSN, MHA serves as *President, Jefferson Health Plans* (2021-present). Ms. Napier brings to Jefferson Health Plans more than 25 years of Medicaid and Medicare managed care leadership experience in operations, strategy, and finance at industry-leading managed care organizations. Ms. Napier became JHP's President in June 2019. Prior to joining JHP, Ms. Napier held executive leadership roles at several national Medicaid, Medicare, and Commercial Insurance companies throughout the United States. Additionally, Ms. Napier served as SVP of healthcare management operations at JHP from 2004 to 2006.

Cristina G. Cavalieri, Esq. serves as *Executive Vice President and Chief Legal and Governance Officer, Secretary for TJU* and all controlled affiliate entities (2015-present). As Secretary, Ms. Cavalieri advises on all substantive governance issues, including the exercise of fiduciary duties for TJU and all of its controlled affiliated entities. She provides administrative oversight of legal, regulatory, risk, and governance departments including compliance, internal audit, enterprise risk, conflicts of interest, clinical risk, professional liability matters, and worker's compensation for the Jefferson enterprise. Prior to joining Jefferson, Ms. Cavalieri was a practicing attorney for over 25 years including as Senior Partner and Chairperson of the Health Care Department in the law firm of Pelino and Lentz (which merged with Archer & Greiner, P.C.). Her areas of specialization in that role included M&A, capital finance, securities, governance, and governmental relations with an emphasis in the healthcare and academic sectors.

Keith Leaphart, DO, MBA serves as *Executive Vice President and Humana Chief Health Equity & Community Impact Officer (2023-present)*. Dr. Leaphart collaborates with the executive leadership team to foster institutional alignment for Jefferson enterprise diversity, equity, and inclusion and community impact initiatives. In 2013, Dr. Leaphart was appointed Chair of the Board of Directors for the Lenfest Foundation, where he oversaw the distribution of \$300 million to Philadelphia-based nonprofit organizations for over ten years and played a crucial role in helping disadvantaged youth in Philadelphia. In 2018, Dr. Leaphart launched Philanthropi®, an innovative digital and social engagement platform that aims to transform charitable giving by highlighting everyday gifts of time, talent and treasure and amplifying awareness and excitement for lifelong philanthropy.

Thomas Marchozzi, MBA, CPA serves as *Executive Vice President and Integration Accountability Officer (2024-present)*. Prior to the transaction between Jefferson and LVHN, Mr. Marchozzi served as EVP and Chief Financial Officer of LVHN since January 2018. He joined LVHN from Universal Health Services ("UHS"), a for-profit integrated health care delivery system which operates 28 acute care hospitals. At UHS, Mr. Marchozzi served as SVP and CFO for the Acute Care Division out of UHS' King of Prussia, Pennsylvania headquarters. In this role, he was responsible for hospitals across the US in high-growth, competitive markets. Prior to UHS, Mr. Marchozzi served as the EVP and CFO at Hartford HealthCare in Hartford, Connecticut. During his more than 30 years of professional experience, Mr. Marchozzi has held senior-level finance positions at Washington Hospital Center in Washington, DC, MedStar Health in Columbia, Maryland, Jefferson Health System in Radnor, Pennsylvania, and the prior Thomas Jefferson University.

John P. Mordach, MBA, CPA serves as *Executive Vice President and Chief Finance Officer (2023-present)*. He is accountable for overseeing all financial functions throughout Jefferson to maintain current financial stability and provide a platform so that the institute can continue to grow and expand its mission and vision. Prior to joining Jefferson, Mr. Mordach served as the Senior Vice President, CFO, and Treasurer for Duke University Health System (DUHS), a \$4.5 billion academic health system, where he began the transition of the finance function into a data-savvy and tech-enabled team to provide more actionable reports for managers through the system. Mr. Mordach has twice been named one of the top 150 Hospital and Health System CFOs in Becker's Hospital Review. In 2015, he was named CFO of the Year by the Chicago Chapter of the Financial Executives International Organization.

Nick Ragone, Esq. serves as *Executive Vice President and Chief Marketing & Communications Officer (2024-present)*. Mr. Ragone joined Jefferson from Ascension, a global healthcare system, where he served as Chief Marketing and Communications Officer. During that time, Mr. Ragone was responsible for marketing, advertising, brand experience, public relations, issues and crisis management, litigation communications, reputation management, executive visibility and thought leadership, internal communications, and social media strategy. While at Ascension, he led the consolidation of all communications departments into one centralized function based in St. Louis, Missouri. Mr. Ragone is a highly experienced marketing and corporate communications executive, published author of four books, and a leader of numerous award-winning campaigns. Mr. Ragone has been included twice on PRWeek's 50 Most Influential Healthcare Communicators list, three times on the Holmes Report 100 Most Influential Global Communications list, and is a board member of several non-profit organizations.

Lisa Satteson, MS, SHRM-SCP serves as *Executive Vice President and Chief Human Resources Officer* for the Jefferson enterprise (2023 - present). Ms. Satteson brings two decades of experience and expertise in human resources, largely in the healthcare sector. Prior to Jefferson, she spent 13 years with Trinity Health where she held several HR leadership roles, most recently as the National Director of Colleague and Labor Relations. She also held leadership roles with Catholic Health East and Quest Diagnostics. Ms. Satteson spent several years working in

Revenue Services for a fortune 500 clinical laboratory company and in the mental health field within residential treatment facilities, emergency psychiatric hospitals, and a State Correctional Institution.

Stephen T. Smith serves as *Executive Vice President and Chief Advancement Officer* (2002-present). In this role, Mr. Smith oversees all philanthropy and alumni relations programs for Jefferson. Mr. Smith leads efforts to align philanthropy with the institution's academic and clinical strategic plans to ensure the greatest impact for Jefferson's patients and students. During his tenure at Jefferson, he helped grow the advancement team and increased fundraising from an average of \$35 million per year to more than \$150 million per year. He also partnered with the Boards of Trustees and leadership to launch Jefferson's comprehensive campaign, *Reimagine*, which raised over \$1 billion. Previously, Mr. Smith held senior fundraising roles at Columbia University and Villanova University. He began his career at the United States Naval Academy.

Mark M. Whalen serves as *Executive Vice President and Chief Strategy, Administrative and Integration Officer* (2022-present). Mr. Whalen joined Jefferson from Ascension where he served as SVP, Population Health and Service Line Operations. In that role, he led enterprise-wide initiatives focused on developing and growing key clinical service lines through differentiating quality and value. This included the development of the organization's population health capabilities to drive performance in value-based arrangements covering approximately 2 million lives. Prior to that role, he served as Chief Strategy Officer, Clinical & Network Services. Before Ascension, Mr. Whalen held several leadership roles with KCI, a global medical device manufacturer. He held leadership roles in the global business transformation initiative and in the strategic marketing group where he restructured the product development, innovation, and internal market expansion process.

ABOUT JEFFERSON HEALTH

Jefferson Health is a nationally ranked system committed to caring for its patients and their families, educating healthcare professionals for the future, pursuing discovery research and clinical innovation, and serving its community. Jefferson Health's strategic vision is to be recognized as a leading academic healthcare system differentiated by its ability to deploy new models for physician recruitment and engagement, embrace a shared governance structure to build strategic combinations, and use technology to transform how healthcare is delivered to patients in meaningful, convenient and cost-effective ways. Jefferson Health's commitment to discovery, innovation, and compassionate, patient-focused care is core to its mission.

Jefferson Health has experienced significant growth in recent years including the most recent combination LVHN effective August 1, 2024. Jefferson Health's healthcare activities include the provision of primary, secondary and tertiary care, inpatient and outpatient services. The combined enterprise includes a broad delivery footprint in eastern Pennsylvania and southern New Jersey. The following table sets forth certain key information about Jefferson Health as of June 30, 2024.

	<u>Legacy TJU</u>	<u>Legacy LVHN</u>	<u>Total Combined TJU</u>
Hospital Campuses and Medical Centers*	17	15	32
Sites of Care including primary and specialty clinics and longer-term care facilities	160+	200+	360+
Employees	42,000+	23,000+	65,000+
Outpatient & Clinic Visits	6.5 million	3.9 million	10.4 million
Covered lives across Medicaid, Medicare and CHIP	390,000+	N/A	390,000+
Operating Revenue	\$10.0 billion	\$4.4 billion	\$14.4 billion

*Includes two Joint Venture Hospitals - Rothman Orthopedic Specialty Hospital and PhyCare Hospital.

The following table sets forth the number of licensed beds, by facility, throughout Legacy TJU and Legacy LVHN as of June 30, 2024.

<u>Facility</u>	<u>Licensed Bed Count</u>
<u>Legacy TJU</u>	
Thomas Jefferson University Hospital	632
Jefferson Hospital for Neuroscience	84
Jefferson Methodist Hospital	168
Jefferson Einstein Philadelphia Hospital	485
Willowcrest Skilled Nursing Facility	44
MossMagee Rehab - Elkins Park	187
MossMagee Rehab- Center City	83
Jefferson Abington Hospital	667
Jefferson Lansdale Hospital	140
Jefferson Einstein Montgomery Hospital	195
Jefferson Torresdale Hospital	253
Jefferson Frankford Hospital	115
Jefferson Bucks Hospital	96
Jefferson Washington Township Hospital	286
Jefferson Cherry Hill Hospital	196
Jefferson Stratford Hospital	181
Rothman Orthopaedic Specialty Hospital*	24
Physicians Care Surgical Hospital*	<u>12</u>
Total Legacy TJU Licensed Beds	3,848
<u>Legacy LVHN</u>	
Lehigh Valley Hospital–Cedar Crest	837
Lehigh Valley Hospital–Muhlenberg	345
Lehigh Valley Hospital–17th Street	12
Lehigh Valley Hospital–Carbon	32
Lehigh Valley Hospital–Dickson City	40
Lehigh Valley Hospital–Gilbertsville	10
Lehigh Valley Hospital–Hazleton	150
Lehigh Valley Hospital–Hecktown Oaks	70
Lehigh Valley Hospital–Macungie	10
Lehigh Valley Hospital–Pocono	264
Lehigh Valley Hospital–Schuylkill E. Norwegian Street	126
Lehigh Valley Hospital–Schuylkill S. Jackson Street (Behavioral Health)	60
Lehigh Valley Health Network–Tilghman	24
Lehigh Valley Health Network 1503 N. Cedar Crest	20
Lehigh Valley Health Network Highland Avenue	<u>20</u>
Total Legacy LVHN Licensed Beds	<u>2,020</u>
TOTAL LICENSED BEDS	<u>5,868</u>
*Joint Venture Hospitals	

Legacy TJU

Jefferson structures management and operations across four regions: three Legacy TJU regions, and now the addition the Lehigh Valley Health Network as its fourth region. Each region is supported by its own management team that reports into Jefferson's enterprise senior executive team. In each region, medical staff is a combination of employed, contractually-aligned, and independent physicians.

Jefferson Health - Central Region. Jefferson Health's Central Region includes Thomas Jefferson University Hospitals, Inc. ("TJUH"), which includes: on the University's main campus in Center City, Philadelphia, the Magnet® recognized Thomas Jefferson University Hospital and the Magnet® recognized Jefferson Hospital for Neuroscience ("JHN"), the Honickman Center, Moss-Magee Rehabilitation Hospital, and Wills Eye Hospital; Jefferson Einstein Philadelphia in North Philadelphia; Magnet® recognized Jefferson Methodist Hospital and Jefferson at the Philadelphia Navy Yard, in South Philadelphia; JUP; Moss-Magee Rehabilitation Hospital in Elkins Park; and Rothman Orthopaedic Specialty Hospital in Bensalem, Bucks County, Pennsylvania.

The Center City Campus, including JHN, provides the full range of care delivery, from primary care through complex quaternary care, and including Level 1 Trauma Center and Burn Center, the Farber Institute for Neuroscience, the NCI-designated Sidney Kimmel Cancer Center, and the Jefferson Transplant Institute.

In 2024, *U.S. News & World Report* ranked TJUH 2nd in Pennsylvania and 2nd in the Philadelphia metro area. The following seven specialties also were ranked among the nation's best:

- Ophthalmology (2nd) – Wills Eye Hospital
- Orthopedics (20th)
- Ear, Nose and Throat (20th)
- Neurology and Neurosurgery (27th)
- Urology (29th)
- Gastroenterology and GI Surgery (31st)
- Pulmonology and Lung Surgery (39th)

Jefferson's Honickman Center in Center City and **Jefferson at the Navy Yard** provide multi-specialty outpatient and community-based services. The Jefferson Honickman Center opened, consistent with budget, on March 13, 2024 and accepted its first patients on April 15, 2024. The 19-story, 462,000 square foot facility includes more than 300 exam rooms, 58 infusion chairs, 10 operating rooms, six endoscopy rooms, an onsite laboratory, a pharmacy and radiology services. Outpatient and community-based services are also delivered through an extensive network of owned and affiliated physician practices, satellite medical and surgical centers, outpatient laboratories and radiology centers, and retail pharmacies.

Jefferson Methodist Hospital in South Philadelphia serves the local community with a focus on advanced surgical care, including minimally invasive and robotic surgery. The hospital is distinguished by its specialized ACE center for elderly care, a headache center, and breast imaging services.

Moss Magee Rehabilitation Hospital Center City is an acute rehabilitation specialty hospital located in Philadelphia. It is accredited by The Joint Commission and has received four CARF accreditations, including the first CARF-accredited brain injury rehabilitation program in the nation.

Jefferson Einstein Philadelphia ("JEP") operates across its two campuses in North Philadelphia and Elkins Park. On its main campus in North Philadelphia, JEP operates a Level 1 trauma center and also provides emergency psychiatric services through its Crisis Response Center. Other clinical areas of distinction are a solid organ transplant program and a thrombectomy capable stroke center. Jefferson Einstein Philadelphia also operates a 21-bed rehabilitation unit and Willowcrest, a skilled nursing facility. Through **Moss-Magee Rehabilitation Hospital** in Elkins Park, rehabilitation services are provided in a 130-bed rehabilitation setting. It also operates 36 beds at three other hospitals. Moss-Magee Rehabilitation Hospital in Elkins Park was ranked 1st in Pennsylvania and 8th in the nation by *U.S. News & World Report* in 2024.

Jefferson Health – North Region. Jefferson Health's North Region provides a wide range of inpatient and outpatient acute care services for medical, surgical, pediatric, and obstetric/gynecological, as well as tertiary care services to Bucks, Montgomery, and Philadelphia Counties. Jefferson Abington Hospital is one of only two

trauma centers in Montgomery County and has a Level III Neonatal Intensive Care Unit, as well as a Comprehensive Stroke Center.

Jefferson Abington Hospital provides a wide range of inpatient and outpatient acute care services for medical, surgical, pediatric, and obstetrical/gynecological patients, as well as tertiary care services primarily to residents of Bucks, Montgomery, and Philadelphia Counties. Jefferson Abington Hospital has one of only two trauma centers in Montgomery County and has a Level III neonatal intensive care unit (NICU) and a comprehensive stroke center. Jefferson Abington Hospital was ranked 7th in the Philadelphia region and 13th in Pennsylvania by *U.S. News & World Report* in 2024. Jefferson Abington Hospital also includes a 50-acre ambulatory care complex five miles north of the main campus in Willow Grove, Pennsylvania. The Willow Grove complex provides a full range of outpatient and physician services and houses the Abington branch of the Jefferson College of Nursing and the Magnet® recognized Asplundh Cancer Pavilion.

Jefferson Lansdale Hospital, located about 12 miles north of the Jefferson Abington Hospital campus, is a primary stroke center and offers a variety of clinical programs, including interventional radiology, outpatient surgery, orthopedics, physical rehabilitation, cardiology, ophthalmology, pain services, and 24-hour emergency services.

Jefferson Einstein Montgomery Hospital, located in Montgomery County, Pennsylvania, provides a full range of medical and surgical care, including cancer care, orthopedic services, cardiac surgery, and maternity care. Jefferson Einstein Montgomery Hospital has Level III neonatal intensive care unit (NICU) and is a thrombectomy capable stroke center.

Jefferson Torresdale Hospital offers an array of inpatient and outpatient medical, emergency and surgical services, including a Level II trauma center, and a thrombectomy capable stroke center. Jefferson Torresdale Hospital delivers a wide range of primary, specialty and emergency care services and is an advanced care hub for the Sidney Kimmel Cancer Center.

Jefferson's Frankford Hospital in Lower Northeast Philadelphia is a primary stroke center and offers an array of outpatient, emergency and inpatient services, including a forensic unit.

Jefferson's Bucks Hospital is a primary stroke center and offers an array of inpatient and outpatient medical, surgical and emergency services.

Rothman Orthopaedic Specialty Hospital is a multiple-specialty surgical hospital located in Bensalem with 6 fully equipped operating rooms. Member interests in this joint venture are held by TJUH (54%) Rothman Specialty Hospital Investment, LLC *30%) and Nuetera Holdings, LLC (10%).

Physicians Care Surgical Hospital is a multi-specialty surgical hospital located in Royersford with 5 operating rooms. Jefferson's member interests in this joint venture are 25.245%. Other investors include Main Line Health, Nuetera Holdings, and private physicians including Rothman Orthopedics.

Jefferson Health – East Region. Jefferson Health New Jersey, the East Region serves the Gloucester County, New Jersey area and includes a Level III Neonatal Intensive Care Unit, the Farber Institute for Neuroscience, a Comprehensive Stroke Center, Children's Crisis Intervention Service, and Acute Care for Elders unit.

Jefferson's Washington Township Hospital, a Magnet® recognized hospital, services the greater Gloucester County, New Jersey area. Clinical areas of distinction include a Level III neonatal intensive care unit (NICU), the Farber Institute for Neuroscience including a comprehensive stroke center, and an advanced hub of the Sidney Kimmel Cancer Center. Adjoining the Washington Township campus is a hospital-owned outpatient surgical center and a select surgical center.

Jefferson Cherry Hill Hospital, a Magnet® recognized hospital, provides primary and secondary care clinical services and limited tertiary care services. This campus includes a 52-bed psychiatric services unit, including acute child and adolescent care services, and outpatient psychiatric and drug rehabilitation services. The Cherry Hill campus is designated as a Children's Crisis intervention service by the New Jersey Division of Children's Behavioral Health Services and as a Short-Term Care Facility by the New Jersey Division of Mental

Health & Addiction Services. The campus includes a 100,000 square foot medical office that includes outpatient services, a 22,000 square foot ambulatory surgical center and physician office space.

Jefferson Stratford Hospital, a Magnet® recognized hospital, provides primary, secondary, tertiary care and clinical services. This facility focuses on general medical/surgical services and has an ACE (Acute Care for Elders) unit, and a comprehensive bariatric surgery program accredited as a Level 1 facility by the Bariatric Surgery Center Network of the American College of Surgeons.

Physician Employment and Alignment Vehicles. Jefferson Health follows a “pluralistic” physician alignment model that includes employed physicians, affiliated physicians and aligned physicians, depending on the specific strategic circumstances of Jefferson Health and the physician.

Jefferson Medical Group (“JMG”) was created to be a unified operational structure for the various legacy employment vehicles for employed physicians and advanced practice providers at Jefferson Health. Leadership for this operational structure has been consolidated with the appointment of a single leader, the President of the JMG. The Office of the President clarifies the reporting structure for both physician administration and practice administration for all of the employed physicians across Jefferson, including the full-time faculty of the Sidney Kimmel Medical College at the University, by bringing management of operations and budget for the approximately 2,400 employed physicians and 1,300 advanced practice providers into a single unified enterprise. JMG physicians operate at over 150 locations and provides the majority of both ambulatory and inpatient clinical services for TJU. The unified JMG structure allows for the creation of standardized performance metrics, holding leaders accountable at all levels of the physician practice and aligning the physician practice with the leadership of Jefferson Health’s hospitals under the President of Jefferson Health.

JUP is a multi-specialty physician practice group of approximately 900 physicians comprised of the full-time salaried faculty physicians of the Sidney Kimmel Medical College and is the entity through which those physicians provide their clinical services to patients. JUP operates at approximately 50 locations throughout the region and JUP physicians are the attending physicians for most of the patients admitted to TJUH.

JeffCare Alliance (the “Alliance”) is Jefferson Health’s Clinically Integrated Network, a vehicle coordinating care across approximately 3,100 providers, including independent and employed primary care physicians, specialists, hospitals and ambulatory sites. The Alliance’s mission is to achieve efficiencies in the delivery of care, implement evidence-based clinical protocols to enhance patient outcomes and partner with payers to develop contracts that drive definable clinical improvement and add value to patients and participating physicians.

JeffCare PHO is Jefferson Health’s Physician Hospital Organization, a vehicle enabling Jefferson Health and independent physician partners to work cooperatively to improve payer negotiations. JeffCare PHO currently supports more than 300 individual members, offering convenient, single-source, messenger model managed care services.

Legacy LVHN

LVHN provides a comprehensive range of acute inpatient, outpatient, diagnostic, treatment, and testing services across 10 eastern Pennsylvania counties. Among its specialty services are the John and Dorothy Morgan Cancer Center and Lehigh Valley Reilly Children’s Hospital; Level I Trauma Center; Magnet® designation from the American Nurses Credentialing Center (five times award winners since 2002).

Lehigh Valley Hospital–Cedar Crest, LVHN’s flagship hospital, was built in 1974 in Salisbury Township, Lehigh County, a suburban area adjacent to Allentown, Pennsylvania. LVH-Cedar Crest is a Magnet® recognized hospital and was ranked #20 in the nation, 2nd in Pennsylvania and 1st in the Allentown Metro Area for orthopedic care and 40th in the nation for pulmonology and lung surgery by *U.S. News & World Report* in 2024.

LVH-Cedar Crest serves as the hub for many specialty services, including Lehigh Valley Reilly Children’s Hospital, the John and Dorothy Morgan Cancer Center, part of the Memorial Sloan Kettering Cancer Alliance, and clinical institutes for cancer, heart and vascular, surgery, orthopedic and neuroscience. Highlighted services at LVH–Cedar Crest include a Level I trauma center and Pennsylvania’s largest emergency department, a comprehensive stroke center, a regional burn center, a Level IV NICU, a kidney and a pancreas transplant program, a family birth and newborn center and the J.B. and Kathleen Reilly Children’s Surgery Center.

Lehigh Valley Hospital–Muhlenberg, located in Bethlehem, Pennsylvania, is Magnet® recognized and serves residents of Lehigh and Northampton Counties, as well as nearby communities in New Jersey. Highlighted services at LVH Muhlenberg include an emergency department, behavioral health services, a primary stroke center, a Level II trauma center, a family birth and newborn center, a Level II NICU and a cancer center.

Lehigh Valley Hospital–17th Street, the former Allentown Hospital, is Magnet® recognized and provides care to community members who reside in nearby neighborhoods as well as those throughout Lehigh and Northampton Counties. Highlighted services at LVH–17th Street include an emergency department, community clinics, breast health services, the Fleming Memory Center, geriatric medicine and children's services.

Lehigh Valley Hospital–Carbon, located in Lehigh, opened in June 2022. It is a full-service hospital that brings care to the residents of Lehigh and Carbon Counties. Highlighted services at LVH–Carbon include heart care, surgical care, orthopedic care, cancer care, emergency department and advanced imaging services.

Lehigh Valley Hospital–Dickson City, located in Lackawanna County, opened in May 2022. LVH–Dickson City is a full-service hospital with a focus on surgical specialty care. Highlighted services at LVH–Dickson City include surgical and orthopedic expertise, and emergency department, advanced imaging (including 3T MRI) and telemedicine technology.

Lehigh Valley Hospital–Gilbertsville opened in June 2024 and is LVHN's second neighborhood hospital with a full-service emergency room with 11 beds and a 10-bed inpatient medical unit for those requiring overnight hospital stays or for additional care, observation and testing. It is adjacent to Health Center at Gilbertsville, which opened in July 2024, providing lab services, LVPF family medicine, obstetrics, orthopedics, cardiology and pediatrics practices, outpatient adult rehabilitation and cardiac and vascular diagnostic testing.

Lehigh Valley Hospital–Hazleton, formerly Hazleton General Hospital, formed in January 2014 when the Greater Hazleton Health Alliance merged with LVHN. LVH-Hazleton serves residents of the Greater Hazleton area, Luzerne County and nearby communities. Highlighted services at LVH-Hazleton include an emergency department, a Level IV Trauma Center, an inpatient rehabilitation center, a primary stroke center, a family birth and newborn center, a chest pain center and a cancer center.

Lehigh Valley Hospital–Hecktown Oaks, located in Northampton County in Easton, Pennsylvania, opened in 2021 and is a full-service hospital. Highlighted services at LVH Hecktown Oaks include an emergency department, a Level IV Trauma Center, the Lehigh Valley Heart and Vascular Institute and Institute for Surgical Excellence, the Lehigh Valley Topper Cancer Institute (including the region's first stem cell transplant and cellular therapy program), acute stroke care and a health center.

Lehigh Valley Hospital–Macungie opened in March 2024 and is LVHN's first neighborhood hospital with a full-service emergency room with 11 beds, a 10-bed inpatient medical unit for those requiring overnight hospital stays, or for additional care, observation and testing. It is adjacent to the Health Center at Macungie, which features a variety of medical services, lab services, LVPF family medicine, orthopedics, cardiology and pediatrics practices, outpatient adult rehabilitation and cardiac and vascular diagnostic testing.

Lehigh Valley Hospital–Pocono formed in January 2017 as a result of Pocono Health System, with its hospital, Pocono Medical Center, merging with LVHN. LVH-Pocono provides care to residents of and visitors to Monroe and Pike Counties and surrounding areas. In 2018, the Dale and Frances Hughes Cancer Center at LVH–Pocono obtained membership to the Memorial Sloan Kettering Cancer Alliance. Highlighted services at LVH–Pocono include an emergency department, a Level III trauma center, the ESSA Heart and Vascular Center, the Dale and Frances Hughes Cancer Center, a family birth and newborn center, a Level III NICU and an inpatient rehabilitation center.

Lehigh Valley Hospital–Schuylkill E. Norwegian Street and **Lehigh Valley Hospital–Schuylkill S. Jackson Street** formed in September 2016 when Schuylkill Health in Schuylkill County became part of LVHN. LVH–Schuylkill serves Pottsville, Schuylkill County and surrounding communities. Highlighted services at LVH–Schuylkill include an emergency department, a Level IV trauma center, the Stine Inpatient Rehabilitation Center, an advanced wound center, an accredited chest pain center, behavioral health services (senior, adult, adolescent), a family birth and newborn center, a cancer center and the Joseph F. McCloskey School of Nursing.

Lehigh Valley Hospital–Tilghman, located in western Lehigh County, is Magnet® recognized and serves as a home for the Center for Orthopedic Medicine. Services at LVHN–Tilghman include the LVHN Surgery Center–Tilghman and ExpressCARE.

Lehigh Valley Hospital–1503 N. Cedar Crest, located in Allentown, provides access to primary and specialty care and imaging services in one convenient location. Cardiology, endocrinology, family medicine and imaging services are provided on the campus.

Lehigh Valley Hospital–Highland Avenue in Bethlehem is home to a surgery center, physician practices, outpatient facilities and rehabilitation and sports medicine services. Cardiology, endocrinology, general surgery, family medicine, imaging, and rehabilitation and sports medicine services are provided on the campus.

Hanover Hill Behavioral Health, a 144-bed behavioral health hospital to be located in Hanover, Pennsylvania, is being built as part of a joint venture with Universal Health Services and is expected to open in 2025.

LVHN also includes **Community Health Centers** offering doctors' offices and lab and imaging services at convenient locations in Bangor, Bath, Bartonsville, Bethlehem Township, Blakeslee, East Stroudsburg, Easton, Emmaus, Fogelsville, Frackville, Hamburg, Kutztown, Moselem Springs, Mountain Top, Palmer Township, Quakertown (in partnership with Grand View Hospital), Richland Township, Trexlertown, and West End, as well as health and wellness centers, which also include fitness facilities at Cedar Crest, Hazleton and Muhlenberg.

Twenty **ExpressCARE** locations offer walk-in, no-appointment care, as do the region's only Children's ExpressCARE locations in Palmer Township and Macungie.

LVHN Medical Staff. The LVHN medical staff is comprised of employed, contractually aligned, and independent physicians totaling 2,004 and Allied Health Professionals totaling 1,578. Of these, Lehigh Valley Physician Group ("LVPG") employs more than 1,220 primary care and specialty physicians, as well as more than 740 advanced practice clinicians.

The affiliated hospitals of LVHN have come together to form the Unified and Integrated Medical Staff of the hospitals of LVHN (also referred to as the "LVHN Medical Staff"). The LVHN Medical Staff has been established in a manner that considers each hospital's unique circumstances and any differences in patient populations and services offered on each hospital campus. The LVHN Medical Staff has mechanisms in place to ensure that issues localized to each hospital campus are duly considered and addressed. The LVHN Medical Staff also ensures that the needs and concerns expressed by members of each of the individual hospital LVHN Medical Staffs are given consideration, regardless of practice or location. There is an established mechanism for individual hospital LVHN Medical Staffs to opt out of the Unified and Integrated Medical Staff structure. The LVHN Medical Staff is responsible and accountable to the Governing Body for the quality of health care in the hospitals and must accept and discharge this responsibility, subject to the ultimate authority of the Governing Body. To that end, the LVHN Medical Staff has established Bylaws, rules and requirements that describe its process for defined self-governance, appointment, credentialing, privileging, and quality oversight, as well as peer review policies and due process guarantees. Except as otherwise noted in these Bylaws, any decision or recommendation made pursuant to these Bylaws which could have an effect on the LVHN Medical Staff membership or privileges of a practitioner, is subject to the final approval of the Governing Body and shall be considered to affect the practitioner's LVHN Medical Staff membership and privileges at each hospital.

Sources of Patient Revenue

Patient revenues are received by Jefferson Health from patients, various insuring organizations (including self-insured employers) and federal and state governments under Medicare, Medicaid and other programs. The approximate percentages of net patient revenues derived from various payment sources for fiscal years 2022-2024 were as set forth below on a pro forma basis (assuming Jefferson Health, as currently constituted, which includes Legacy LVHN, existed during those periods):

Pro Forma Jefferson Health Payer Mix (Net Patient Revenues)*

As of June 30,

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Medicare	27%	25%	24%
Medicare Managed Care	19	20	21
Medicaid	3	2	3
MA Managed Care	15	16	14
Managed Care/Commercial	31	30	31
Self Pay	2	2	1
Other	<u>4</u>	<u>6</u>	<u>6</u>
Total	100%	100%	100%

*Totals may not foot to 100% due to rounding.

Utilization Statistics

The following tables provide a historical summary of pro forma utilization for Jefferson Health for the past three fiscal years (assuming Jefferson Health, as currently constituted, existed during such periods):

Pro Forma Jefferson Health Selected Utilization Statistics

As of June 30,

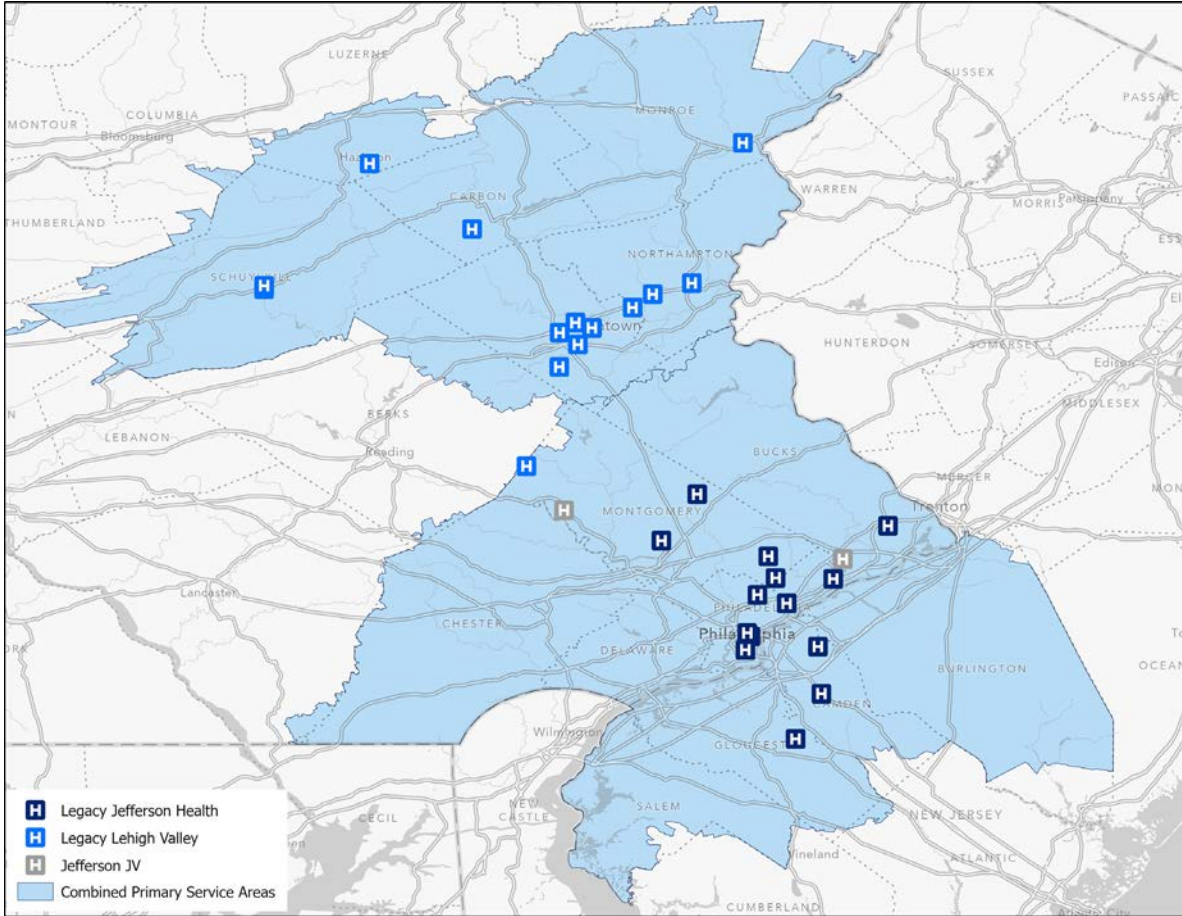
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Bed Capacity:			
Licensed Beds	5,645	5,698	5,690
Available Beds	5,038	5,040	4,962
Total Patient Days	1,352,315	1,328,053	1,337,633
Occupancy Rate	74%	72%	74%
Total Admissions	218,206	224,291	234,934
Average Length of Stay (Days)	6.2	5.9	5.7
OR Procedures	174,915	173,872	182,653
Emergency Room Visits	829,949	913,250	914,822
Total Outpatient Visits*	3,784,864	2,806,641	2,935,106
JMG Faculty Headcount	5,335	5,181	5,251
JMG Outpatient Office Visits	6,459,578	6,590,333	6,943,358

* TJU FY2023 and FY2024 Outpatient Visits include Outpatient Visits, Emergency, Observation Patients, and excludes Clinical Lab & Pathology, and Radiology & Imaging.

HEALTHCARE SERVICE AREA, DEMOGRAPHICS AND COMPETITION

Healthcare Service Area

The combined service area for Jefferson Health includes eastern Pennsylvania and southern New Jersey. References to Jefferson Health's PSA and LVHN's PSA (each as defined herein) relate to each primary service area as constituted during the measurement time period and relate to only 100% owned facilities.



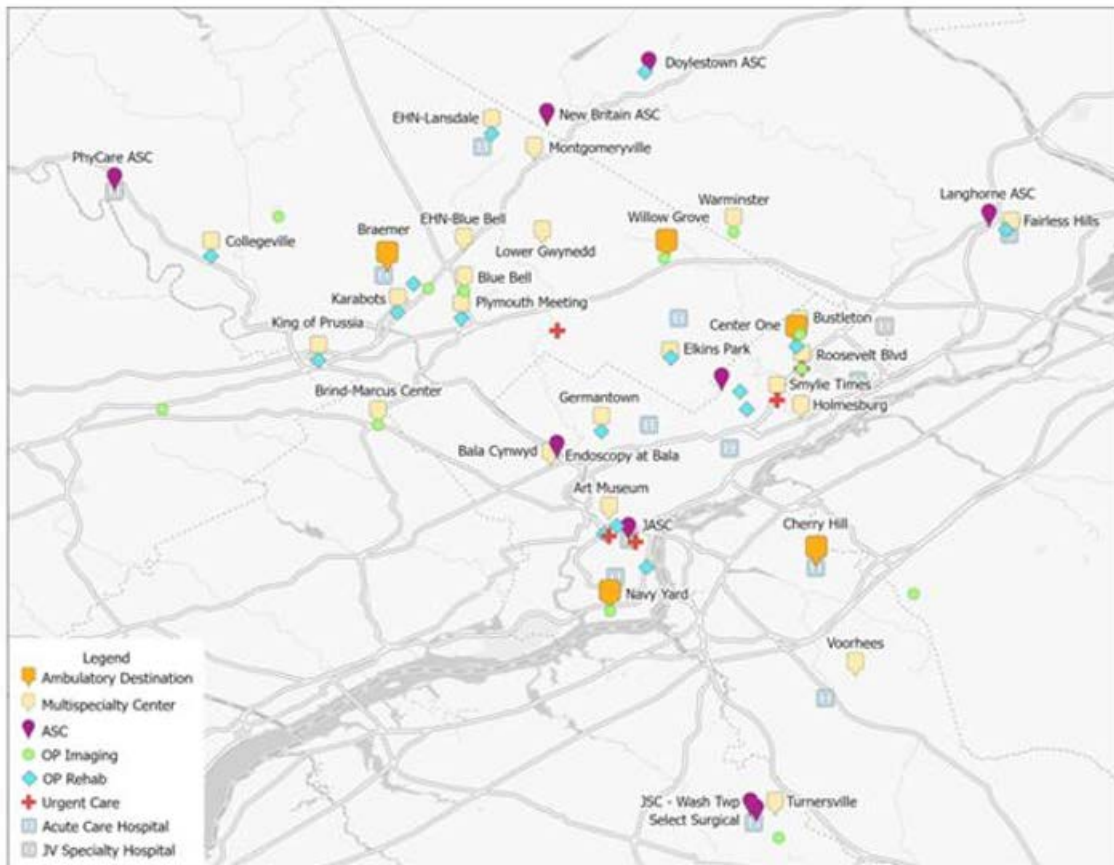
The Legacy TJU Primary Service Area (“Jefferson Health’s PSA”) consists of the five southeastern Pennsylvania counties (Bucks, Chester, Delaware, Montgomery, and Philadelphia) and four southern New Jersey counties (Burlington, Camden, Gloucester and Salem). This 9-county primary service area was chosen as 94.6% of inpatient discharges from Jefferson Health hospitals live in this area.

The Legacy LVHN Primary Service Area (“LVHN’s PSA”) is defined by six regions (Allentown, Bethlehem, Stroudsburg, Pottsville, Hazleton and Lehigh). LVHN’s PSA was chosen as 85% of inpatient discharges from LVHN hospitals live in this area. The Scranton region is in LVHN’s secondary service area.

Jefferson Health Clinical Assets

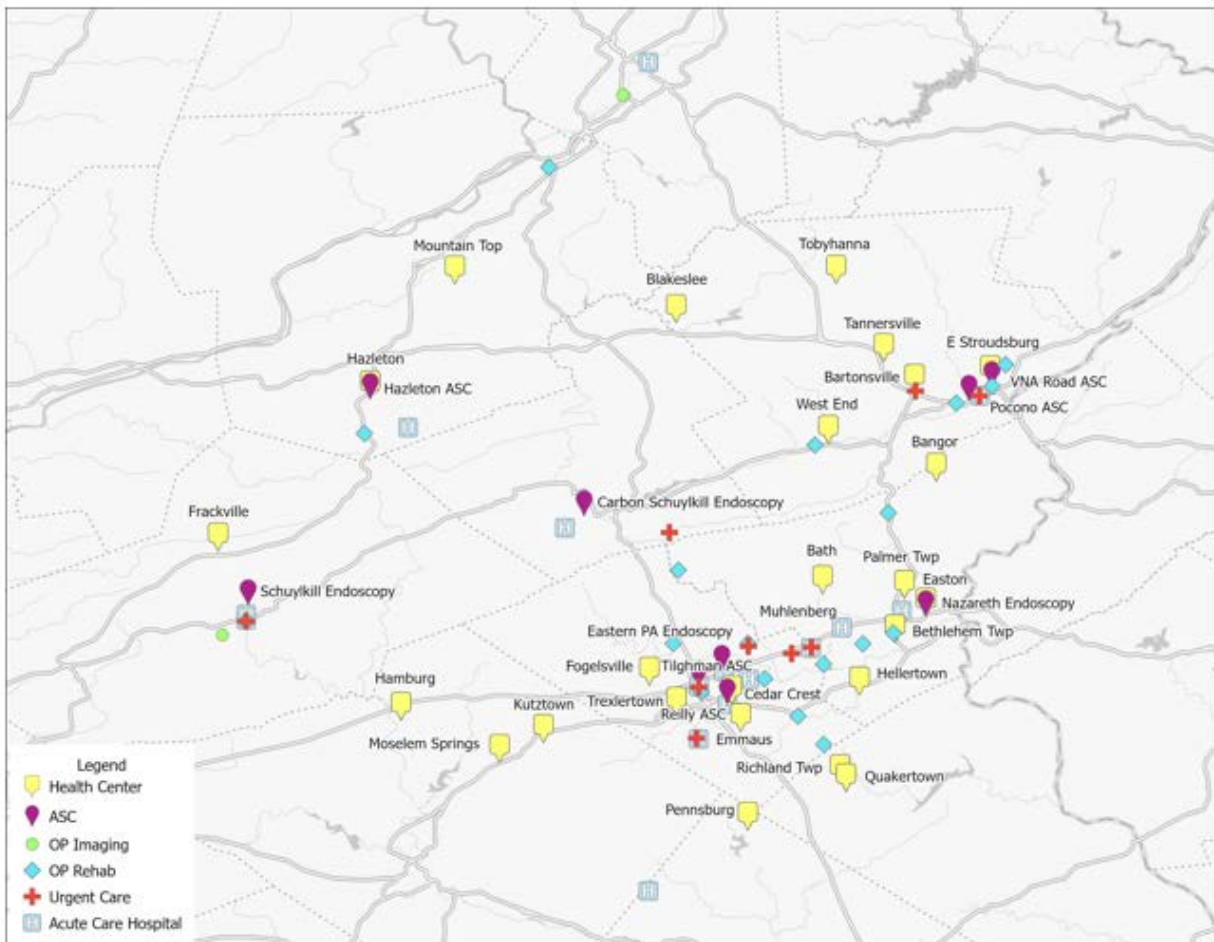
In addition to the consolidated acute care hospital footprint the combined group has an extensive outpatient and inpatient footprint. The following maps show the service areas and the locations of all major inpatient and outpatient locations owned and/or partially owned by Legacy TJU and Legacy LVHN.

Legacy TJU



Note: Ambulatory Destinations include and ASC or Cancer Center, OP Imaging and other multispecialty services.

Legacy Lehigh Valley Health Network



Note: Health Centers include outpatient imaging and urgent care centers

Patient Origin

The following table depicts the proportion of Legacy TJU's total adult discharges by county in calendar years 2021, 2022 and 2023.

Legacy TJU Inpatient Origin by County (% Total Discharges*)

For the Calendar Year

<u>County</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Philadelphia (PA)	43.3%	41.7%	41.4%
Montgomery (PA)	20.5%	22.5%	22.8%
Camden (NJ)	9.9%	9.9%	10.1%
Bucks (PA)	10.1%	10.0%	10.0%
Gloucester (NJ)	5.6%	5.7%	5.5%
Burlington (NJ)	2.3%	2.3%	2.3%
Delaware (PA)	1.7%	1.7%	1.6%
Chester (PA)	0.8%	0.8%	0.7%
Salem (NJ)	0.2%	0.2%	0.2%
Other	5.5%	5.4%	5.2%

*Discharges from acute care hospitals, all ages.

Source: Jefferson Enterprise Analytics via Qlik, Hospital Account Analysis & Einstein Decision Support.

The following table depicts the proportion of Legacy LVHN's total discharges by region in calendar years 2021, 2022 and 2023.

Legacy LVHN Inpatient Origin by County (% Total Discharges*)

For the Calendar Year

<u>Region</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Allentown	40.0%	39.1%	38.1%
Bethlehem	16.7%	17.1%	16.5%
Stroudsburg	11.1%	10.7%	10.1%
Pottsville	9.9%	9.7%	9.4%
Hazleton	8.4%	7.9%	8.1%
Lehighton	3.5%	3.7%	4.5%
Scranton (Secondary)	0.5%	1.6%	3.0%
All Others	9.9%	10.1%	10.4%

*For all inpatient discharges, all ages observed in indicated years

Source: LVHN Epic Hospital Accounts

Current and Projected Population

Legacy TJU's PSA, which straddles the Delaware River between Pennsylvania and New Jersey, is home to approximately 5.6 million people. The rate of growth of the total population of Jefferson Health's service area is expected to be relatively flat over the next five years (0.5%), which is a lower rate than that of the U.S. at 1.9%. However, the projected growth of the 65+ population is anticipated to increase by 13% over the next five years.

Legacy LVHN's PSA, in Eastern Pennsylvania, is home to approximately 1.19 million people. The rate of growth of the total population of LVHN's service area is 1.6% over next 5 years, which is higher than the rate for Pennsylvania overall (0.0%) but below the U.S. rate of 1.9%. The projected growth of the 65+ population is anticipated to increase by 13.4% over the next 5 years.

The following table depicts the projected total population for Legacy TJU's PSA and Legacy LVHN's PSA, as well as for New Jersey, Pennsylvania and the U.S.

	<u>Jefferson Health</u>	<u>NJ</u>	<u>PA</u>	<u>U.S.</u>
2024 Total Population	6,800,287	9,410,668	13,056,584	338,440,954
2029 Total Population	6,845,367	9,468,180	13,057,072	344,873,411
% Projected Growth – Total (2024-2029)	0.7%	0.6%	0.0%	1.9%
Age 65+ % Projected Growth (2024-2029)	13.2%	14.1%	11.0%	13.5%

Sources:

Legacy LVHN Service Area – Claritas 2024/2029 population estimates.

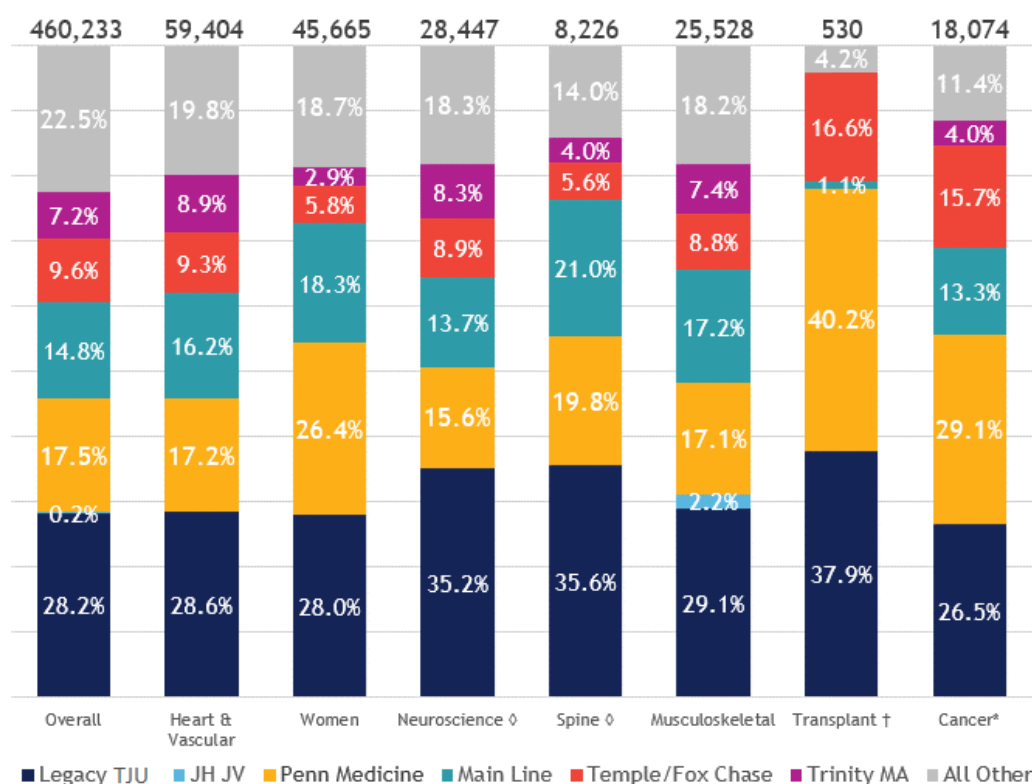
Legacy TJU Service Area, NJ, PA, and US – Esri 2024/2029 demographics via Syntellis.

Service Area Position

The combined Jefferson Health system operates in a highly competitive region with numerous other healthcare providers. The following graphics illustrate the service area position of Legacy TJU and Legacy LVHN within their respective primary service areas.

Legacy TJU (100% owned hospitals) holds the lead service area position (28.2%) in the 5-county southeastern Pennsylvania service area for overall inpatient discharges and in the Heart & Vascular, Women's Health, Neuroscience, Spine and Musculoskeletal service lines (ages 18+; all payers).

Southeast PA Health System IP Position by Service Line (ages 18+)



Source: PHC4 Inpatient Discharges via Syntellis, CY2023, 18+, Patients living in SEPA going to PA facilities.

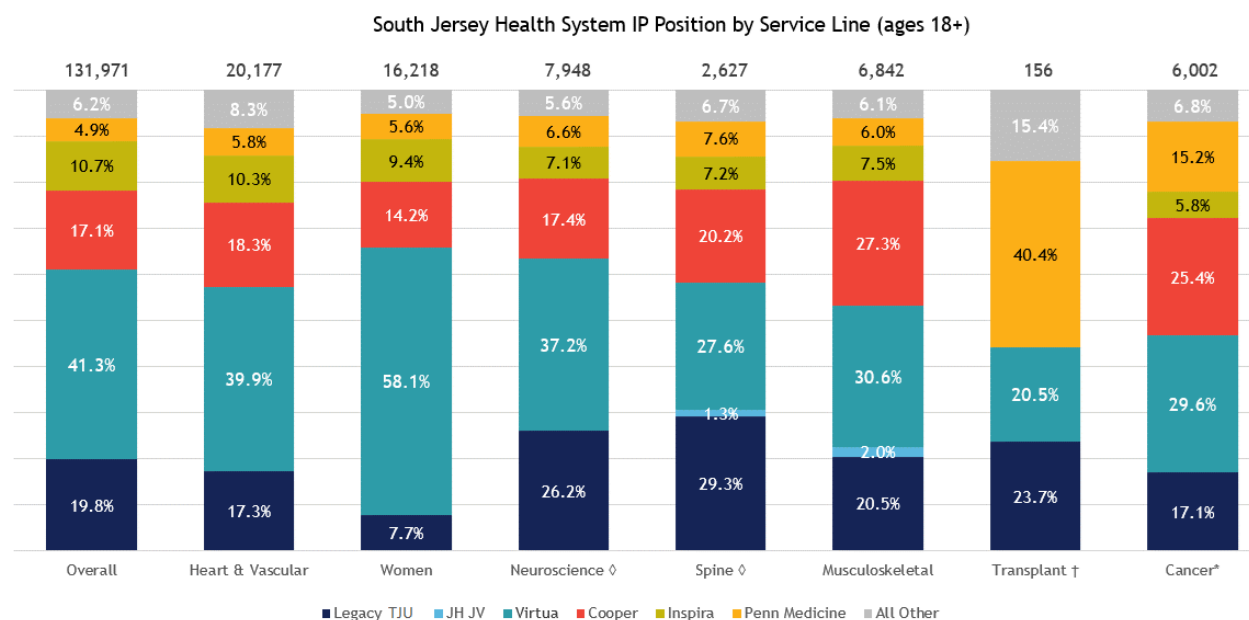
◇ Spine is broken out of Neuroscience, includes Fusion, Medical Spine and Other Surgical Spine product lines

† Transplant is based on primary procedure code.

* Cancer is subset of all SLs based on primary diagnosis code

For outpatient services, Legacy TJU (100% owned hospitals and ASCs) holds the second service area position (14.0%) in the 5-county southeastern Pennsylvania service area overall and first in Neuroscience and Spine service lines (adults, 18+; all payers).

In the 4-county southern New Jersey service area, Legacy TJU (100% owned hospitals) held the second position overall (19.8%) and first position in spine (adults, 18+; all payers).



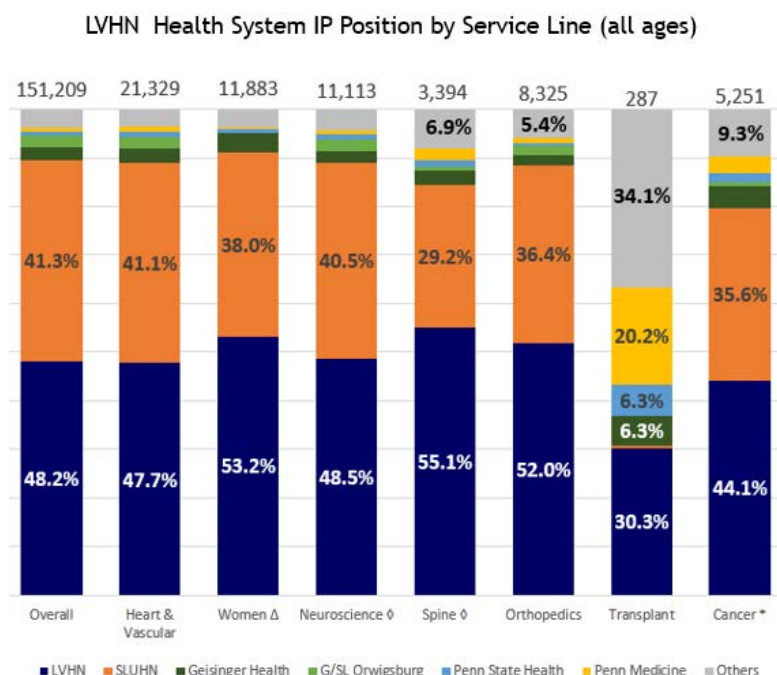
Source: PHC4 & NJDOH Inpatient Discharges via Syntellis, CY22, 18+, Patients living in the 4 counties. Due to CY22 reporting errors to the NJ DOH, JNJ volumes have been replaced with internal data to reflect accurate counts

♦ Spine is broken out of Neuroscience, includes Fusion, Medical Spine and Other Surgical Spine product lines

† Transplant is based on primary procedure code.

* Cancer is subset of all SLs based on primary diagnosis code

Legacy LVHN holds the lead service area position in the LVHN primary service area for overall inpatient discharges (48.2%) and in all major service lines.



Source: PHC4 Inpatient Discharges (general acute care discharges only) via internal reporting plus LVHN Epic recounting, NJ/NY interpolated discharges based on all residents LVHN 6 region PSA utilizing services in CY2023; PHC4 OP with LVHN EPIC recounting, all facilities, consistent PX for residents of the same area

◇ Spine is broken out of Neuroscience, includes Fusion, Medical Spine and Other Surgical Spine service lines

* Cancer is subset of all SLs based on primary diagnosis code

Δ Women incorporates the Obstetrics and Gynecology service lines

For outpatient services, Legacy LVHN holds the lead service area position in the LVHN primary service area overall (37.1%) and in the Heart & Vascular, Women's, Neuroscience, Spine, Orthopedics and Cancer service lines.

Market Share Growth Opportunities

As of 2022, Jefferson holds a 28% market share in Montgomery and Bucks Counties. Its competitors in this region are Main Line Health and St. Luke's Health System, among other independent hospitals. Jefferson sees opportunity for continued growth in this region.

Select Operating Statistics for Regional Health Systems

<u>Health System</u>	<u>Total</u>		<u>Licensed</u>	<u>Staffed</u>	
	<u>Discharges</u>	<u>#Hospitals</u>	<u>Beds*</u>	<u>Beds</u>	<u>ED Visits*</u>
Jefferson Health**	242,585	32	5,882	4,898	843,791
Penn Medicine	140,666	6	3,298	3,153	360,660†
Main Line Health	67,187	5	1,233	1,233	189,115
Virtua Health	64,033	5	1,512	1,339	250,712
Temple Health	43,077	4	1,127	1,054	188,135
Trinity Health Mid-Atlantic	35,186	3	1,140	723	123,245†
Tower Health	58,030	6	1,242	1,059	210,577
Cooper University Health Care	36,973	2	905	727	80,900
Crozer-Keystone Health System	13,147	3	448	282	64,245
St. Luke's Health System (PA)±	73,119	13	1,464	1,464	304,145
Geisinger Health System±	78,754	11	1,412	1,412	280,008

* Non-Legacy TJU/Legacy LVHN Licensed Beds and ED Visits provided for CY 2022.

** Includes LVHN statistics provided for 2024.

† Includes Pennsylvania-based hospitals only.

± Geisinger-St. Lukes Hospital in Lehigh Valley is a joint venture facility between two named systems above. Facility is not counted for either network.

Sources (PA Hospitals): PHC4 Inpatient Discharges for Total CY 2023 Discharges and Births (Neonatology), PA DOH Hospital Reports, organization websites for all hospital counts.

Sources (NJ Hospitals): NJDOH Inpatient Discharges via Syntellis for CY 2022 Total Discharges and Births (Neonatology), Medicare Cost Report (July 2024) via Definitive Healthcare, organization websites for all hospital counts and Cooper University Health Care ED Visits (as of CY 2024), Virtua Health ED Visits as of FY 2022 as per reporting on EMMA.

INSURANCE OFFERINGS

History of Health Partners Plans, Inc.

Health Partners Plans, Inc. is an award-winning, not-for-profit health maintenance organization (MCO) serving approximately 360,000 members Pennsylvania and New Jersey. HPP is one of just a few hospital-owned health maintenance organizations in the nation. It offers Medicaid, Medicare Advantage, Children's Health Insurance Program (CHIP), and ACA plans that include special benefits to improve the health and wellness of its members. HPP is committed to boosting the health of its member community through outreach, education and events.

Founded in 1984, HPP continually develops new ways to encourage better health outcomes and has received national recognition for its innovations in managed care. The HPP provider network includes more than 185 hospitals, over 32,000 providers, including over 8,800 primary care providers and 16,000 specialists, and an ancillary network of over 1,400 entities.

HPP was formed as a mission-driven MCO to improve the health of community members served by the strategic partnership with seven prestigious teaching hospitals, in 1987. Today, HPP is a controlled affiliate of TJU, as a result of the longstanding TJU interest, the acquisition by TJU of AEMC and the acquisition of a membership interest held by Temple University/Episcopal at the end of calendar year 2021. The HPP Board of Directors is comprised of seven Members and Directors, four of whom are representatives of Jefferson Health and three representing the community as independent directors.

HPP is the sole member for the following wholly owned subsidiaries: Health Partners Solutions, LLC formed in October 2020, a limited liability corporation domiciled in the state of Delaware, and certified to operate in Pennsylvania to provide third-party insurance administration services; and Health Partners Foundation (HPF), a 501(c)(3) not-for-profit organization, provides support to local organizations in the communities that HPP serves and is focused on improving and contributing to positive health outcomes.

Health Partners Plans Governance

HPP has a long-tenured, experienced executive leadership team with in-depth knowledge of managed care programs. This team provides overall program direction, leadership, and day-to-day guidance for all HPP administrative functions, including quality programs, compliance, legal, internal audit, medical services, program

management, personnel management, fiscal management, data management, network management, member services and enrollment, claims processing, communications, and public relations. The leadership staff is overseen by Denise Napier, President and Chief Executive Officer, who reports directly to HPP's Board of Directors. HPP's executive team has vast experience with government programs, and has been in the health insurance industry on average for over 25 years each, in managed care plans, national health plans, county public health and human services, large provider systems, small provider organizations and non-profit organizations.

HPP's governance structure comprises individuals from multiple departments and committees charged with day-to-day operations management, compliance, strategy, and decision-making impacting its members. The corporate structure is composed of departments led by a member of the executive leadership team, as well as standing committees led by senior management.

Insurance Plans Offered

HPP offers comprehensive health care through the following high-quality plans, as described below.

Health Partners (Medicaid). Nationally recognized for its innovations in managed care, Health Partners (Medicaid) offers a full range of benefits, programs, and services. HPP provides physical health (HealthChoices Medicaid Program) benefits to enrolled Medicaid recipients residing throughout the Commonwealth (Service area) – pursuant to its HealthChoices agreement with the Department of Human Services of the Commonwealth of Pennsylvania (“DHS”). Despite Medicaid membership having decreased due to redetermination, Health Partners has maintained a stable market share in Pennsylvania, with an increase from approximately 10% in 2021 to approximately 13% in 2024.

CHIP/KidzPartners. The HPP CHIP (Children's Health Insurance Program) plan provides coverage for children up to age 19 who are uninsured and not eligible for Medicaid. For most families, CHIP is free – for others, low cost. HPP provides program benefits to enrolled CHIP recipients residing throughout the Commonwealth pursuant to an agreement with DHS.

Jefferson Health Plans – Individual & Families. The Jefferson Health Plans (“JHP”) plans offered for the Pennsylvania Marketplace Exchange (ACA) are in three metal levels Bronze, Silver, and Gold. Also, each of the three or four products offered under each metal tier are available on or off the Pennsylvania exchange (Pennie). JHP Individual & Families also has a version of the ACA plans depending on income levels to provide affordable health care.

Medicare Products:

JHP Medicare Advantage. Offering 12 Medicare Advantage plans in 22 counties in Pennsylvania and seven in New Jersey. All 12 Medicare Advantage plans provide more benefits than original Medicare with no or low monthly plan premiums.

Health Partners Medicare Advantage. HPP offers five Medicare Advantage products and program benefits, under the Jefferson Health Plans branding, to enrolled Medicare members residing in Pennsylvania Counties (Adams, Allegheny, Berks, Bradford, Bucks, Carbon, Chester, Cumberland, Dauphin, Delaware, Erie, Franklin, Lancaster, Lebanon, Lehigh, Monroe, Montgomery, Northampton, Perry, Philadelphia, Schuylkill, York) and an additional two Medicare Advantage products and programs across New Jersey Counties (Atlantic, Burlington, Camden, Gloucester, Mercer, Cumberland, and Salem) pursuant to its agreement with CMS.

Additionally, HPP, through a management services agreement with its affiliated health insurer, Partners Insurance Company, Inc., (“PIC”), offers three plans in 20 Counties of Pennsylvania (Adams, Berks, Bradford, Bucks, Carbon, Chester, Cumberland, Dauphin, Delaware, Franklin, Lancaster, Lebanon, Lehigh, Monroe, Montgomery, Northampton, Perry, Philadelphia, Schuylkill, York).

In 2025, PIC will add one new Medicare advantage plan in Pennsylvania, which will increase the number of plans to three in the 20 counties of Pennsylvania. Additionally, a new entity was created and will offer two plans under a management services agreement with HPP and its

affiliated health insurer, Partners Insurance Company of New Jersey, Inc., (“PIC NJ”), in seven Counties in New Jersey.

Enrollment Information

The following table sets forth the number of HPP enrollees, by payer, as of the years* ended December 31, 2021, 2022 and 2023.

	HPP Enrollees as of December 31,		
	2021	2022	2023
Medicaid	269,431	367,293	337,605
CHIP	8,906	8,057	11,893
Medicare	13,360	13,259	13,078

* JHP entered the market in calendar year 2024.

Quality Ratings and Recognitions

Medicare Stars Rating. The U.S. Centers for Medicare & Medicaid Services (CMS) awarded HPP 3.5 Stars in 2024 in its annual Medicare Star ratings program. CMS calculates Star Ratings from 1 (Poor) to 5 (Excellent) based on quality, customer satisfaction, and operational performance across the span of 43 individual metrics. The benchmarks are set forth by the entire Medicare Advantage industry performance and CMS regulatory rules, thus, every Medicare Advantage plan nationwide is considered a competitor on quality performance. The health plan receives a significant financial benefit should its collectively scored rating exceed 4.0 through the CMS Quality Bonus Payment program, which would enhance Health Partners Medicare revenue.

Medicaid NCQA Rating. The National Committee for Quality Assurance (NCQA) awarded HPP a rating of 4.5 (out of 5) in its annual Health Plan ratings for the 2021 survey, and for the most recent survey, HPP achieved NCQA Accreditation based on compliance with NCQA requirements and HPP performance on all three types of quality measures: clinical quality from NCQA’s Healthcare Effectiveness Data and Information Set (HEDIS®), the most widely used performance measurement in health care; consumer satisfaction using Consumer Assessment of Healthcare Providers and Systems (CAHPS®), and NCQA’s own review of quality processes and accreditation standards.

Multicultural Health Care/Health Equity (NCQA). In 2011, HPP became the first health plan in the nation to receive the NCQA Multicultural Health Care (MHC) Distinction and has received this distinction in each subsequent year with the most recent accreditation of 2023. The MHC Distinction, now called Health Equity Accreditation, is bestowed upon organizations in recognition of their efforts to improve culturally and linguistically appropriate services and to reduce healthcare disparities.

Community Awards. HPP has been recognized by many community organizations for its support and assistance. For example, HPP and the Health Partners Foundation were honored in 2021 by Turning Points for Children, a Philadelphia-based organization that brings social and health services to vulnerable city residents, for providing COVID-19 relief funding and PPE during the height of the pandemic.

EDUCATIONAL ACTIVITIES

The University offers over 200 educational degree programs, including programs in architecture, business, design, engineering, fashion, health, medicine, nursing, science, social science and textiles, primarily on the Center City Campus and the East Falls Campus through its 10 colleges and three schools. The University is consistently ranked among the top national doctoral universities by *U.S. News and World Report* and currently has over 125 post-doctoral students. Its occupational therapy program was ranked #7 by *U.S. News and World Report* in 2024. As a member of the NCAA, the University has 17 Division II men’s and women’s athletic teams. The University has a student retention rate of 82% and a robust alumni network in excess of 77,000 members.

Sidney Kimmel Medical College

The Sidney Kimmel Medical College, founded in 1824 as Jefferson Medical College, offers a four-year educational program leading to a degree of doctor of medicine and is also engaged in biomedical, health services and educational research, as well as patient care related to its programs. It is one of the oldest and largest private medical schools in the United States. The Sidney Kimmel Medical College, in coordination with Jefferson Health, provides a wide variety of consulting and educational services to healthcare professionals in the Delaware Valley region. The Sidney Kimmel Medical College has awarded more than 31,000 medical degrees and has more living graduates than any other private medical school in the nation. The Sidney Kimmel Medical College has approximately 13,000 members in its Alumni Association.

Jefferson College of Life Sciences

The Jefferson College of Life Sciences has the mission of “Training Tomorrow’s Scientific Leaders Today” for a broad array of careers in academia, industry, and government. The Jefferson College of Life Sciences and its faculty offer courses and programs across a wide field of basic and translational sciences, leading to the Bachelor of Science, Master of Science and Doctor of Philosophy degrees, along with graduate certificate programs.

Jefferson College of Nursing

The Jefferson College of Nursing offers a continuum of fully-accredited nursing degree programs, from baccalaureate through doctoral levels and including the Bachelor of Science in Nursing, Master of Science in Nursing specialties, and entry-level Doctor of Nursing Practice degrees in nurse practitioner and anesthesia, and the research-focused PhD program.

Jefferson College of Pharmacy

The Jefferson College of Pharmacy prepares students for careers in the profession of pharmacy. Students earn a Doctor of Pharmacy degree. The PharmD program is structured to provide an understanding of the basic sciences, clinical information, pharmaceutical sciences, administrative and social sciences, and the importance of each component of pharmacy practice. The Jefferson College of Pharmacy also offers two Master’s of Science programs in Pharmaceutical Science and Population Health Pharmacy.

Jefferson College of Population Health

The Jefferson College of Population Health was the first designated School of Population Health in the United States. The Jefferson College of Population Health offers a certificate and Master of Science programs in health policy, healthcare quality and safety, applied health economics, outcomes research, public health and other related areas. At the doctoral level, the Jefferson College of Population Health offers a PhD in population health sciences as well as a certificate program in healthcare operational excellence.

Jefferson College of Health Professions

The Jefferson College of Health Professions offers undergraduate and graduate degree programs through the following departments: Counseling and Behavioral Health, Disaster Medicine and Management, Health Sciences, Medical Imaging and Radiation Sciences, Medical Laboratory Sciences and Biotechnology, Midwifery and Women’s Health, and Physician Assistant Studies.

Jefferson College of Rehabilitation Sciences

The Jefferson College of Rehabilitation Sciences offers Doctorate programs in Physical Therapy and Bachelor, Masters, and Doctoral programs across Occupational Therapy, as well as a newly accredited Masters in Speech and Language Pathology.

College of Architecture and the Built Environment

The College of Architecture and the Built Environment, located at the East Falls Campus, is dedicated to educating future leaders in the architecture, interior design, landscape architecture, construction management, geodesign, sustainable design and real estate development fields.

The curricula emphasize specialized knowledge unique to each discipline, paired with interprofessional collaboration that prepares students for practice in the global market. The school's dynamic approach to education and emphasis on transdisciplinary learning, sustainability, and innovation train the graduates to become successful design professionals and leaders in sustainable practice.

Jefferson College of Humanities and Sciences

Jefferson College of Humanities and Sciences, located at the East Falls Campus, has as its core a focus on human social interactions and relationships, between and among individuals and extending to regional, national and international institutions with approaches and transdisciplinary collaborations in its major programs – Biopsychology, Psychology, Communication, and Law and Society – and in the Hallmarks Program for General Education, supporting the education of professionals through breadth of awareness and depth of understanding of national and global issues that impact their professional and personal lives. The Jefferson College of Humanities and Sciences faculty also support the education of students in other majors across the University by providing foundational and advanced instruction in mathematics and physics.

Students in the Jefferson College of Humanities and Sciences programs receive an undergraduate degree and gain strong written and oral communication skills, and learn to develop, integrate, analyze and apply information to address professional challenges as well as key policy issues at the national and global scale.

Kanbar College of Design, Engineering and Commerce

The Kanbar College of Design Engineering and Commerce, located at the East Falls Campus, is comprised of two schools: the School of Business and the School of Design and Engineering. The two schools offer undergraduate and graduate degrees spanning various disciplines of finance and business management, marketing and communications, fashion, textiles, engineering, and sciences.

School of Continuing and Professional Studies

The School of Continuing and Professional Studies (“SCPS”) is grounded in the philosophy that education is a lifelong experience influencing personal growth, career advancement or career change. Specialized and practical degree programs, certificate programs and prerequisite courses as individual courses are designed to accommodate adult learners and their professional and personal obligations. SCPS prepares students to strive for academic excellence, become leaders in their community, and participate as active global citizens to enrich and improve their personal lives. SCPS offers three certificate programs in Information Systems, Medical Practice Management, and Medical Coding and Data Quality; two Associate degree programs in Radiologic Technology and Occupational Therapy; ten Baccalaureate degrees (Behavioral & Health Services, Building & Construction Studies, Business Management, Health Professions Management, Health Sciences, Health Services Management, Health Services Management Information Systems, Human Resource Management, Information Technology, and Organizational Leadership); a Master of Science in Organizational Leadership; and two doctoral programs (D.Mgt in Strategic Leadership and a PhD in Complex Systems Leadership).

Other Educational Activities; Jefferson Health GME Summary

Jefferson Health sponsors physician, dental and podiatric training programs through its network of hospitals. The physician training programs are arrayed in six Sponsoring Institutions accredited by the Accreditation Council for Graduate Medical Education (“GME”). Jefferson Abington Hospital has five programs and more than 140 residents and fellows. Jefferson Einstein Philadelphia Hospital and Jefferson Einstein Montgomery Hospital sponsor 42 programs and more than 620 residents and fellows. Jefferson New Jersey Hospitals has 13 programs training more than 190 residents and fellows and Jefferson Northeast Hospitals has eight programs and almost 140 residents and fellows. LVHN sponsors 36 programs with nearly 400 residents and fellows. Sidney Kimmel Medical College sponsors more than 120 programs that train more than 1,200 residents and

fellows. Sidney Kimmel Medical College sponsors programs at Thomas Jefferson University Hospital, Christiana Care Health System, and Nemours Children's Health.

Growth in Jefferson Health GME programs is anticipated in the Legacy LVHN hospitals with the addition of nearly 150 more residents and fellows. Jefferson Health GME programs also train residents and fellows from other regional health systems and GME programs. Jefferson Health residents and fellows provide hundreds of months of training for medical students from Sidney Kimmel Medical College and other academic partners in the region. Jefferson Health also sponsors six advanced dental training programs for dentists that desire further specialization after dental school and two podiatric surgery residency programs.

Enrollment, Admissions

The following table shows fall semester full-time-equivalent (FTE) student enrollment at the University's ten colleges, one institute and the SCPS for the current and two previous academic years:

Fall Full-Time Equivalent Enrollment			
	<u>Fall 2022</u>	<u>Fall 2023</u>	<u>Fall 2024</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Sidney Kimmel Medical College	1,087	1,086	1,086
Jefferson College of Life Sciences	757	770	758
Jefferson College of Health Professions	1,423	1,496	1,517
Jefferson College of Nursing	1,034	987	952
Jefferson College of Pharmacy	188	174	175
Jefferson College of Population Health	239	199	196
College of Architecture and the Built Environment	564	618	639
Kanbar College of Design, Engineering and Commerce	803	917	925
Jefferson College of Humanities and Sciences	265	277	244
School of Continuing & Professional Studies	309	0	0
Jefferson Institute of Emerging Health Professions	78	273	259
Jefferson College of Rehabilitation Sciences	623	618	615
Total Student Enrollment	7,370	7,415	7,365

Source: National application statistics provided by the American Association of Medical Colleges.

The following table provides information on the total (full-time and part-time equivalent) student enrollment for the Sidney Kimmel Medical College, TJU's undergraduate programs and TJU's other graduate programs for the previous three academic years:

Total (Full-Time and Part-Time Equivalent) Enrollment			
	Academic Year		
	<u>2021-22</u>	<u>2022-2023</u>	<u>2023-2024</u>
Sidney Kimmel Medical College	1,087	1,086	1,086
Undergraduate Programs	3,743	3,880	3,761
Other Graduate Programs	4,429	4,473	4,563
Total Student Enrollment	9,259	9,439	9,410

The following tables provide information on applications, acceptances and matriculations for first-year students at the Sidney Kimmel Medical College and TJU's undergraduate and graduate programs for the previous three academic years:

Sidney Kimmel Medical College Admissions

	Academic Year		
	<u>2021-22</u>	<u>2022-2023</u>	<u>2023-2024</u>
Total National Applications	60,237	52,819	49,167
Applications	11,768	11,090	10,922
Applications as % of National Applications	20%	21%	22%
Acceptances Offered	406	438	430
Acceptances as % of Applications	3%	4%	4%
First Year Matriculants	272	277	274
First Year Matriculants as % of Acceptances	67%	63%	64%

Undergraduate Program Admissions

	Academic Year		
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Applications	7,573	8,253	9,502
Acceptances Offered	5,180	6,158	6,647
Acceptances as % of Applications	68%	75%	70%
First Year Matriculants	1,702	1,578	1,452
First Year Matriculants as % of Acceptances	33%	26%	22%

Other Graduate Program Admissions

	Academic Year		
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Applications	8,313	8,195	7,945
Acceptances Offered	2,475	2,613	3,676
Acceptances as % of Applications	30%	32%	46%
First Year Matriculants	1,335	1,256	1,390
First Year Matriculants as % of Acceptances	54%	48%	38%

Tuition

The following table provides average tuition information for TJU's Undergraduate Programs and selected competitor institutions for the academic year just ended:

Comparative Tuition: Private Undergraduate (2023-24)

Villanova University	\$63,806
Syracuse University	\$61,310
Drexel University	\$58,293
Pratt Institute	\$57,659
Rochester Institute of Technology	\$56,132
Widener University	\$52,598
St. Joseph's University	\$51,140
Arcadia University	\$46,430
Marist College	\$46,110
Thomas Jefferson University	\$43,297

The following table provides average tuition information for the Sidney Kimmel Medical College and selected competitor medical schools for the academic year just ended:

Comparative Tuition: Medical Colleges (2023-24)	
University of Pennsylvania	\$65,940
University of Pittsburgh	\$65,800
Drexel University	\$65,692
Sidney Kimmel Medical College	\$63,366
Temple University	\$59,462
Pennsylvania State University	\$57,724

Financial Aid

The University's admissions and financial aid policies are designed to assist the most qualified students to attend its schools, regardless of their financial circumstances. Approximately 78% of the University's total student population receive some form of financial aid. Financial aid is received through a combination of grants and loans from governmental, private and institutional sources.

The following table sets forth the amounts of student financial aid provided from governmental, private and institutional sources during the past three fiscal years:

	Student Financial Aid		
	For the Fiscal Year Ended June 30,		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Sidney Kimmel Medical College</u>			
Grants	\$11,118,648	\$13,496,976	\$13,163,568
Loans	\$37,671,424	\$40,534,792	\$40,077,009
<u>TJU Undergraduate Programs</u>			
Grants	\$78,408,297	\$86,163,529	\$93,656,963
Loans	\$49,971,548	\$50,360,926	\$49,191,388
<u>TJU Graduate Programs</u>			
Grants/Scholarship Aid	\$11,725,942	\$11,117,056	\$11,926,263
Loans	\$64,383,609	\$64,302,210	\$65,287,188

Accreditation

TJU is fully accredited by the Middle States Commission on Higher Education (the "MSCHE"). The MSCHE acted to reaffirm TJU's accreditation in March 2021 for the full eight years. This was the first self-study and full accreditation review of TJU as a single University following MSCHE approval of the combination of TJU and Philadelphia University in 2017.

The Sidney Kimmel Medical College is fully accredited by all appropriate accrediting bodies. In 2016, the Liaison Committee on Medical Education of the Council on Medical Education of the American Medical Association and the Executive Council of the Association of American Medical Colleges granted the Sidney Kimmel Medical College a full accreditation through Academic Year 2022-23, which accreditation has been extended through 2030.

Programs for the education of residents are all fully accredited by the various specialty boards under the aegis of the Accreditation Council on Graduate Medical Education.

The University's professional programs are approved by the following accrediting agencies:

- Accreditation Board for Engineering and Technology
- Accreditation Commission for Midwifery Education
- Accreditation Council for Business Schools and Programs
- Accreditation Council for Continuing Medical Education
- Accreditation Council for Education in Nutrition and Dietetics
- Accreditation Council for Genetic Counseling
- Accreditation Council for Occupational Therapy Education (American Occupational Therapy Association)
- Accreditation Council for Pharmacy Education
- Accreditation Review Commission on Education for the Physician Assistant
- Accredited Educational Institute American College of Surgeons
- American Chemical Society
- Association for Assessment and Accreditation of Laboratory Animal Care
- Association for the Accreditation of Human Research Protection Programs
- Association to Advance Collegiate Schools of Business International
- Commission on Accreditation of Allied Health Education Programs
- Commission on Accreditation of Athletic Training Education
- Commission on Accreditation of Healthcare Management Education
- Commission on Accreditation of Medical Physics Education Programs, Inc.
- Commission on Accreditation of Physical Therapy Education (American Physical Therapy Association)
- Commission on Collegiate Nursing Education
- Committee on Education of the American Association of Marital and Family Therapy
- Council for Education for Public Health
- Council for Interior Design Accreditation
- Council on Academic Accreditation
- Council on Accreditation of Nurse Anesthesia Educational Programs
- Joint Accreditation
- Commission on Accreditation of Allied Health Education Programs
- Joint Review Committee on Education in Radiologic Technology
- Joint Review Committee on Educational Programs in Nuclear Medicine Technology
- Landscape Architecture Accreditation Board
- Liaison Commission of Medical Education
- National Accrediting Agency for Clinical Laboratory Sciences
- National Architectural Accrediting Board
- National Association of Schools of Art and Design
- Society for Simulation in Health Care Academy

The Master's Program in Public Health is accredited by the Council for Education in Public Health.

Future University Educational Plans

The University's long-term strategic vision is to add an additional college, and to expand the number of educational programs that are offered. The University's current enrollment goal is to grow to 10,000 students, while during the same period increasing overall student selectivity. Any expansion of the University's current academic framework and enrollment is subject to a variety of factors and no assurances can be given as to the occurrence or the timing of such expansion.

RESEARCH ACTIVITIES

TJU's research efforts are focused on investment in areas of programmatic science and applied research initiatives, such as Cancer, Mitochondrial Pathogenesis, Fibrotic Diseases, Neurodegeneration/ALS and Airway Disease. TJU holds over 1,000 patents relating to drugs, software innovations, medical devices and diagnostic tools. TJU's management believes that investment in the recruitment of strategically funded faculty members, as well as promising junior faculty members, has enhanced the University's ability to stabilize and promote growth of research within those targeted areas.

TJU receives revenues from grants and contracts awarded to support costs of sponsored research and certain other efforts. Revenues are provided by both federal and non-federal sponsors and generally consist of two components: direct costs (including salary and benefits of faculty members and other employees, supplies and expenses related to research efforts); and indirect costs (representing the allocation of overhead costs such as physical plant maintenance, utilities, administrative expenses and depreciation and interest on equipment and facilities related to research efforts). Indirect cost recovery is based on a negotiated indirect cost recovery rate for sponsored research which is applied to direct costs. For federal purposes, the University generally negotiates an indirect cost recovery rate that is applied to all of its federal awards. Recovery rates for non-federal awards vary by award.

Applied research at the East Falls Campus is funded through a variety of external sponsors ranging from federal research agencies and mission-driven agencies to a host of industry sponsors and other for-profit and non-profit entities. The work is typically performed by faculty teams and by undergraduate and graduate students (under the supervision of faculty) and often involves external partnerships with for-profit and nonprofit partners, independent contractors and other academic institutions. There are expected to be opportunities to capture the value of new knowledge developed during applied research projects through the execution and licensing of patents and copyrights. Applied research, incorporated into East Falls Campus curricula, introduces active, collaborative, real-world experiences through client-driven problem-solving in a transdisciplinary team-based environment.

The following table sets forth the University's operating revenues from grants and contracts for the past three fiscal years:

Grants and Contracts Revenue (000)s			
	For the Fiscal Year Ended June 30,		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Direct	\$125,035	\$129,932	\$128,783
Indirect Cost Recovery	\$36,166	\$38,429	\$38,108

TJU's management expects that the level of grants and contracts revenue will continue to be under pressure due to the competitive environment created by reduced and uncertain funding levels from the National Institute of Health. TJU's management expects to continue to diligently monitor faculty funded status and has identified opportunities to maintain and grow the University's grant portfolio via linkages to existing clinical programs, recruitment of well-funded faculty, increased collaborations with regional and multi-disciplinary institutes and centers, diversification of the research portfolio and exploration of new applied research opportunities available to the University.

FINANCIAL INFORMATION AND DISCUSSION

Financial Statements

TJU's audited consolidated financial statements for the fiscal years ended June 30, 2024 and 2023 are included as Appendix B-1 to the Official Statement. LVHN's audited consolidated financial statements for the fiscal years ended June 30, 2024 and 2023 are included as Appendix B-2 to the Official Statement.

Audited financial statements for TJU and LVHN for earlier periods may be found at the MSRB's EMMA website, but such audited financial statements are not incorporated into this Official Statement by such reference.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make assumptions, estimates and judgments that affect the amounts reported in the consolidated financial statements, including the notes thereto, and related disclosures of commitments and contingencies, if any. TJU management considers critical accounting policies to be those that require significant judgments and estimates in the preparation of its financial statements, including the following: recognition of net operating revenues, which includes a provision for implicit and explicit allowances (contractual allowances, bad debt, charity care and other controllable write-offs); impairment of long-lived assets; valuation of investments; medical claims payable, including liabilities for incurred but not reported claims; pension obligations; and reserves for losses and expenses related to health care professional and general liability risks. TJU management

relies on historical experience and other assumptions believed to be reasonable under the circumstances in making its judgments and estimates. Actual results could differ materially from those estimates.

The unaudited pro forma financial information of TJU as of and for the years ended June 30, 2024, 2023 and 2022 presented below has been derived by the management of TJU from the audited consolidated financial statements of Legacy TJU and Legacy LVHN. The following unaudited pro forma summarized financial information should be read in conjunction with the audited consolidated financial statements and supplemental information of TJU as of and for the years ended June 30, 2024 and 2023, and related notes, which appear in Appendix B-1, and the audited consolidated financial statements and supplemental information of LVHN as of and for the years ended June 30, 2024 and 2023, and related notes, which appear in Appendix B-2 to this Official Statement.

Pro forma reclassifications were made to previously reported amounts to conform to accounting policies adopted by TJU. Pro forma reclassifications assume that the combination became effective July 1, 2021, without acquisition accounting consideration in accordance with GAAP. Such unaudited pro forma financial information includes the historical carrying values of Legacy TJU and Legacy LVHN as of and for the periods presented. As such, investors are urged to consider the usefulness of such information as the historical carrying values of assets and liabilities for Legacy LVHN may not be reflective of their fair value as of the periods presented, in particular with respect to property and equipment, debt, and pension liabilities.

The combination is expected to be accounted for as an acquisition in accordance with Financial Accounting Standards Board, Accounting Standards Codification 958-805, Not-for-Profit Entities Business Combinations. TJU will account for the acquisition by re-measuring Legacy LVHN's assets and liabilities at fair value as of the acquisition date, August 1, 2024. As there was no consideration involved in the transaction, the fair value of the net assets of Legacy LVHN will be treated as a contribution received in acquisition of a subsidiary.

For the fiscal year ended June 30, 2024 (assuming Jefferson, as currently constituted including LVHN, existed during such period), the Members of the Obligated Group together constituted approximately 78.0% of the unaudited consolidated pro forma Jefferson revenues and approximately 85.7% of the unaudited consolidated pro forma Jefferson assets. For the fiscal year ended June 30, 2024, the Combined Group comprised approximately 97.9% of the unaudited consolidated pro forma Jefferson revenues and approximately 95.2% of the unaudited consolidated pro forma Jefferson assets.

**Unaudited Consolidated Pro Forma Statement of Operations and Changes
in Net Assets Without Donor Restriction (000s)**

	For the Fiscal Year Ended June 30,		
	2024	2023	2022
<u>Operating revenues, gains and other support:</u>			
Net patient service revenue	\$10,697,639	\$10,036,632	\$9,289,640
Insurance premium revenue	2,163,755	2,148,677	1,155,962
Grants and contracts	194,423	190,385	176,887
Tuition and fees, net	229,047	223,972	217,249
Investment income	199,427	163,899	88,573
Contributions	7,610	7,507	6,076
Other revenue	899,964	814,655	565,882
Net assets released from restrictions	<u>93,909</u>	<u>243,840</u>	<u>247,912</u>
Total operating revenues, gains and other support	<u>14,485,774</u>	<u>13,829,567</u>	<u>11,748,181</u>
<u>Operating expenses:</u>			
Salaries and wages	6,034,288	5,661,648	5,068,031
Employee benefits	1,155,874	1,137,634	960,378
Insurance services medical expenses	1,664,816	1,593,742	862,277
Supplies	2,340,708	2,177,926	1,963,966
Purchased services	1,296,025	1,450,006	1,274,777
Depreciation and amortization	478,345	534,963	510,359
Interest	178,190	171,107	129,297
Other	<u>1,319,706</u>	<u>1,170,708</u>	<u>1,026,463</u>
Total operating expenses	<u>14,467,952</u>	<u>13,897,734</u>	<u>11,795,548</u>
Income (Loss) from operations	<u>17,822</u>	<u>(68,167)</u>	<u>(47,367)</u>
Nonoperating items and other changes in net assets without donor restriction, net:			
Return on investments, net of amounts classified as operating revenue	229,535	179,962	(518,213)
Value of noncontrolling interest	-	28,386	-
Contribution received in Einstein acquisition	-	-	490,770
(Loss) Gain on investment in acquisitions	-	(1,410)	175,828
Interest rate hedges	3,124	2,408	18,274
Reclassification of net assets	(423)	(889)	(2,131)
Net assets released from restrictions used for purchase of property and equipment	55,796	15,915	4,661
Decrease in pension liability	109,765	206,028	178,580
Distributions to noncontrolling interest	(37,481)	(26,539)	(27,780)
Loss on defeasance of debt	-	(74)	(35,808)
Other	<u>5,051</u>	<u>8,643</u>	<u>23,812</u>
Increase in nonoperating items and other changes in net assets without donor restrictions	<u>365,367</u>	<u>412,430</u>	<u>307,993</u>
Increase in net assets without donor restriction	<u>\$383,189</u>	<u>\$344,263</u>	<u>\$260,626</u>

Jefferson's Unaudited Consolidated Balance Sheet for the fiscal years ended June 30, 2024, 2023 and 2022 (assuming Jefferson, as currently constituted including LVHN, existed during such period) is presented below.

Unaudited Consolidated Pro Forma Balance Sheets (000s)

As of Fiscal Year Ended June 30,

	2024	2023	2022
Assets:			
Current assets:			
Cash and cash equivalents	\$782,168	\$901,241	\$616,330
Short-term investments	655,137	860,162	1,350,713
Accounts receivable	1,798,551	1,415,182	1,233,579
Insurance premium receivable	181,479	214,653	479,777
Insurance Recoverable, current	157,407	156,851	101,208
Other current assets	<u>492,533</u>	<u>512,277</u>	<u>443,345</u>
Total current assets	<u>4,067,275</u>	<u>4,060,366</u>	<u>4,224,952</u>
Long-term investments	3,522,383	3,209,738	2,976,838
Assets whose use is limited, noncurrent	1,687,497	1,769,071	1,989,506
Assets held by affiliated foundations	53,560	44,781	42,703
Pledges receivable, noncurrent	124,509	153,543	172,041
Goodwill	434,282	433,520	400,968
Insurance recoverable, noncurrent	352,454	343,775	310,379
Land, buildings and equipment, net	6,066,111	6,044,508	5,684,522
Right-of-use assets	614,084	510,292	557,252
Other noncurrent assets	<u>352,381</u>	<u>349,415</u>	<u>237,944</u>
Total assets	<u>\$17,274,536</u>	<u>\$16,919,009</u>	<u>\$16,597,105</u>
Liabilities and Net Assets:			
Current liabilities:			
Current portion of:			
Long-term obligations	\$468,556	\$74,226	\$115,350
Operating lease obligations	90,435	86,214	79,748
Accounts payable and accrued expenses	1,969,598	1,810,634	2,125,087
Medical costs payable	187,837	183,363	122,670
DHS insurance program payable	<u>57,297</u>	<u>154,582</u>	<u>134,276</u>
Total current liabilities	<u>2,773,723</u>	<u>2,309,019</u>	<u>2,577,131</u>
Long-term obligations	4,459,519	4,970,071	4,687,885
Accrued pension liability	101,778	245,547	421,067
Accrued professional liability claims	819,075	817,468	741,092
Interest rate hedges	10,768	14,226	18,211
Operating lease obligations	543,489	484,745	538,517
Other noncurrent liabilities	<u>355,188</u>	<u>315,000</u>	<u>290,386</u>
Total liabilities	<u>9,063,540</u>	<u>9,156,076</u>	<u>9,274,289</u>
Net assets:			
Net assets without donor restriction			
Thomas Jefferson University	6,542,788	6,161,150	5,847,214
Noncontrolling interest in joint ventures	<u>88,104</u>	<u>86,553</u>	<u>56,226</u>
Total net assets without donor restriction	6,630,892	6,247,703	5,903,440
Net assets with donor restriction	<u>1,580,104</u>	<u>1,515,230</u>	<u>1,419,376</u>
Total net assets	<u>8,210,996</u>	<u>7,762,933</u>	<u>7,322,816</u>
Total liabilities and net assets	<u>\$17,274,536</u>	<u>\$16,919,009</u>	<u>\$16,597,105</u>

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and summaries of financial information should be read in conjunction with the financial statements, related notes, and independent auditor's reports included in Appendices B-1 and B-2 to this Official Statement. All dollar amounts in this section are in thousands (\$000)s unless otherwise noted.

Twelve Months Ended June 30, 2024 as Compared to Twelve Months Ended June 30, 2023 for TJU

Revenues and Volume Trends. Total operating revenues and other support increased to \$9,999,656 for the fiscal year ended June 30, 2024, compared to \$9,700,487 for the prior period, an increase of 3.1%. This was mainly driven by increases in net patient service revenue (\$264,461 or 4.3%), insurance premium revenue (\$15.1 million or 0.7%), tuition, fees, and investment income (\$40.3 million or 10.4%), and partially offset by a decrease in other revenue (\$23.0 million or -2.9%). In fiscal year 2024, admissions increased 5% while patient days increased 1.8% as a result of average length-of-stay decreasing by 3.6% compared to fiscal year 2023. In patient surgeries decreased by 3.3% and outpatient surgeries increased by 2.9% for the same period.

Expenses. Total operating expenses increased to \$9,998,314 in fiscal year 2024, an increase of 2.2% from the prior fiscal year. Salaries and wages increased \$171,512 (4.6%), insurance service and medical expenses increased \$71,074 (4.5%), supplies increased \$93,227 (6.9%), and other expenses \$45,344 (7.2%). Partially offsetting expense increases were decreases in employee benefits \$10,895 (1.2%), purchased services \$130,079 (15.2%), and depreciation and amortization \$54,378 (15.2%). Temporary staffing costs were over \$62,000 less than the prior year.

Income (Loss) from operations. In fiscal year 2024, income from operations, defined as total operating revenues, gains, and other support less total operating expenses, was \$1.3 million compared to a loss of \$78.5 million in fiscal year 2023, representing an improvement of \$79.9 million.

Nonoperating items and other changes in net assets without donor restriction, net. Net assets without donor restriction increased \$280,273 in fiscal year 2024 compared to an increase of \$209,634 in fiscal year 2023 representing a 34% greater increase year over year. This was partly attributable to a decrease in pension liability and net assets released from restrictions used for purchase of property and equipment.

Liquidity and Capital Resources. Cash and cash equivalents plus short-term investments were \$1,217,339 for fiscal year 2024 compared to \$1,603,208 for fiscal year 2023, a decrease of \$385,869. Long-term investments were \$3,242,347 for fiscal 2024 compared to \$2,954,704 for fiscal year 2023, an increase of \$287,643. The decrease in cash and cash equivalents plus short-term investments is primarily due to the purchase of land, buildings, and equipment of \$756,546 that was partially offset by proceeds of debt obligations of \$315,055 during fiscal year 2024. The purchase of land buildings and equipment included the opening and acquisition of the Honickman Center, a 19-story approximately 462,000 square feet specialty care facility.

Twelve Months Ended June 30, 2024 as Compared to Twelve Months Ended June 30, 2023 for LVHN

Revenues and Volume Trends. Total operating revenues and other support increased to \$4,486,118 for the fiscal year ended June 30, 2024, compared to \$4,129,080 for the prior period, an increase of 8.6%. This was mainly driven by increases in net patient service revenue \$396,546 or 10.1%, and partially offset by a decrease in other revenue (\$33,693 or -18.0%). In fiscal year 2024 admissions increased 4.3% while patient days decreased 1.6% as a result of average length-of-stay decreasing by 3.9% compared to fiscal year 2023. In patient surgeries increased by 1.1% and outpatient surgeries increased by 14.2% for the same period.

Expenses. Total operating expenses increased to \$4,469,638 in fiscal year 2024, an increase of 8.5% from the prior fiscal year. Salaries and wages increased \$190,539 or 10.0%, supplies increased \$69,553 or 8.5%, employee benefits increased \$29,021 or 11.5%, interest expense increased \$7,480 or 13.7% and other expenses increased \$72,048 or 24.2%. Partially offsetting expense increases were decreases in purchased services \$37,296 or 6.3%. Temporary staffing costs were \$53,847 less than the prior year.

Income (Loss) from operations. In fiscal year 2024, income from operations, defined as total operating revenues, gains, and other support less total operating expenses, was \$16,480 compared to a gain of \$10,380 in fiscal year 2023.

Nonoperating items and other changes in net assets without donor restriction, net. Net assets without donor restriction increased \$102,916 in fiscal year 2024 compared to an increase of \$134,629 in fiscal year 2023. This was mainly attributable to an unfavorable adjustment to the funded status of the pension plan.

Liquidity and Capital Resources. Cash and cash equivalents plus short-term investments were \$1,457,187 for fiscal year 2024 compared to \$1,343,658 for fiscal year 2023, an increase of \$113,529. The increase in cash and cash equivalents plus long term investments is primarily due to the sale of several buildings for a net \$135,827 and investment returns on invested assets that was partially offset by withdraws from long term reserves for operating needs.

INDEBTEDNESS

Outstanding Debt

As of June 30, 2024, Jefferson (assuming Jefferson, as currently constituted including LVHN, existed during such period) had total outstanding indebtedness, as calculated on an unaudited pro forma basis, of \$4,933,609,000, which total included \$3,312,225,000 principal amount of TJU bonds, \$1,190,384,000 principal amount of LVHN bonds, and certain other debt, financing leases, and adjustments. The aforementioned outstanding indebtedness does not include draws on any existing lines of credit as of June 30, 2024, which have been paid down to zero as of September 30, 2024.

See “OUTSTANDING INDEBTEDNESS OF THE OBLIGATED GROUP – Estimated Debt Service Requirements” in the front part of the Official Statement for a table setting forth the expected fiscal year debt service requirements for the Obligated Group’s outstanding Obligations and Parity Indebtedness after issuance of the Series 2024 Fixed Rate Bonds.

Interest Rate Derivatives

TJU previously entered into certain derivative transactions for the purpose of reducing the impact of fluctuations in interest rates under the terms of various interest rate swap contracts. See Note 14 to Legacy TJU’s financial statements attached as Appendix B-1 for a list of such transactions and the primary terms thereof. Please see Note 7 to Legacy LVHN’s financial statements attached as Appendix B-2 for a description of such transactions. In combination with the issuance of the Bonds, it is anticipated that a Legacy LVHN basis swap with a trade and effective date of August 3, 2023, under which Legacy LHVN pays USD-Municipal Swap Index plus 0.08% and receives 79% of USD-SOFR CME Term with a 1-month maturity will be terminated. No termination payment by TJU is expected to be required. To the extent permitted by the Master Indenture, regularly scheduled swap payments for such existing swaps are secured on a parity basis by a pledge of the gross revenues of certain Members of the Obligated Group; provided however, so long as the swap termination payments are secured under the Master Indenture as Subordinated Obligations. Under certain circumstances, TJU’s swaps may be terminated early, in which case it may become obligated to make a substantial payment to one or more swap counterparties. In certain circumstances, TJU may have an obligation under the swaps to post collateral with the swap counterparties depending, among other things, on TJU’s then-current bond ratings and the then-current mark-to-market value of the swaps and subject to compliance with the Master Indenture.

Debt Service Coverage

The following table shows the calculation of pro forma net revenues available for debt service for the fiscal year ended June 30, 2024 (assuming Jefferson, as currently constituted including LVHN, existed during such period) calculated in accordance with the debt service coverage covenant in the Master Indenture. In addition, the pro forma debt service coverage ratio for such year based on the estimated maximum annual debt service (“MADS”) after issuance of the Series 2024 Fixed Rate Bonds is also calculated in the table below.

Unaudited Pro Forma Debt Service Coverage (000s)

	<u>Fiscal Year Ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total unrestricted operating revenues	\$14,485,774	\$13,829,567	\$11,748,181
less Total unrestricted operating expenses	<u>14,467,952</u>	<u>13,897,734</u>	<u>11,795,548</u>
Income from operations	17,822	(68,167)	(47,367)
plus Interest expense	178,190	171,107	129,297
plus Depreciation expense	<u>478,345</u>	<u>534,963</u>	<u>510,359</u>
Operating cash flow	674,357	637,903	592,289
plus Unrestricted non-operating realized gain on investments, net	<u>138,118</u>	<u>131,833</u>	<u>161,472</u>
Net revenues available for debt service	\$812,475	\$769,736	\$753,761
Actual debt service for fiscal year 2024 ⁽¹⁾	\$249,809	\$249,809	\$249,809
Debt service coverage (x)	3.25	3.08	3.02
Estimated pro forma maximum annual debt service ⁽²⁾	\$282,218	\$282,218	\$282,218
Maximum annual debt service coverage (x)	2.88	2.73	2.67

⁽¹⁾ Existing long term indebtedness including bonds, term loans, and financing leases prior to issuance of the Bonds and Other Series 2024 Bonds.

⁽²⁾ Long term indebtedness including the Bonds, Other Series 2024 Bonds, unrefunded debt, term loans, and financing leases.

CASH AND INVESTMENTS

The table below illustrates the pro forma consolidated unaudited cash and investments of TJU under the indicated classifications.

Unaudited Pro Forma Consolidated Cash & Investments (000s)

	<u>Fiscal Year Ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$782,168	\$901,241	\$616,330
Short-term investments	655,137	860,162	1,350,713
Assets whose use is limited	1,688,309	1,770,986	2,017,384
Long-term investments	3,522,383	3,209,738	2,976,838
Subtotal	6,647,997	6,742,127	6,961,265
Donor restricted endowments, deferred giving, unspent bond proceeds and other	1,456,595	1,564,676	1,864,901
Unrestricted reserves	\$5,191,402	\$5,177,451	\$5,096,364
Days cash on hand	136	141	153
Days cash on hand excluding HPP	156	162	184

Investment Policy, Management and Oversight

Jefferson management developed the Integrated Risk Financial Framework (“IRFF”) process to support the risk-related decision-making process with regard to the investment of investable assets. This work effort produces a point-in-time risk analysis based on an examination of the difference between how TJU’s unrestricted investment assets were currently invested versus how they might be deployed within an active risk-management framework. The philosophy behind the framework recognizes that TJU is comprised of operating companies first and that (i) balance sheet resources should be integrated with, and focused on, supporting TJU’s operating core, and (ii) unrestricted invested assets should be allocated first, to mitigating liquidity risk not covered by dedicated offsets/strategies, and second, to the pursuit of risk-appropriate return. The review is conducted on an annual basis to ensure a contemporaneous review of IRFF principles.

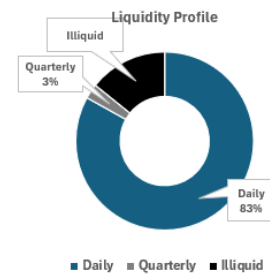
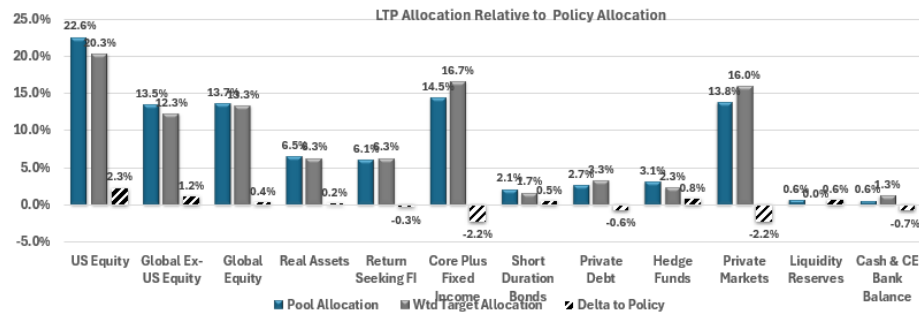
Each of TJU’s and LVHN’s investment portfolios are overseen by an Investment Committee. The Jefferson Investment Committee, which is composed of ten members, includes representation from both Legacy TJU and Legacy LVHN Board members and independent members who are included for their investment expertise. The Committee has oversight over strategic asset allocation as informed by the IRFF risk framework. Jefferson retains Russell Investment Consulting, a division of Russell Investments, and Concord Advisory Group as its primary investment consultants. In such capacity, Russell and Concord provide investment consulting (policy construction, manager due diligence, strategy review, and education) and risk management services concerning the Jefferson’s portfolios. Investment categories include domestic equities, international equities, fixed income assets, and private market investments. It is anticipated that the legacy assets of each TJU and LVHN will be integrated under one common management structure overseen by the Jefferson Investment Office.

All investment programs must conform to investment restrictions established by TJU’s Investment Committee. The portfolio is structured to conform to the allocation targets established by the Investment Committee. These restrictions concern asset class, asset allocation, liquidity, duration, average maturity, diversification, and credit risk. If necessary, there is a monthly rebalancing of assets to ensure that the portfolio remains within its target bands. In assessing potential alternative asset investments, management, supported by the consultants, identify potential alternative asset investment opportunities. Significant due diligence is conducted on these potential investments, including past performance, manager interviews, on-site visits, and reference checks.

The following table details the unaudited pro forma investment allocation for the combined TJU and LVHN cash and investments as of June 30, 2024. The amounts presented below may reflect preliminary values if alternative asset values do not reflect unrealized gains/losses due to timing of fund manager statements.

IRFF Fund Asset Allocation (\$,000)

Asset Strategy	Working Capital Pool		Intermediate Pool				Long-term Pool				Consolidated Assets	
	Working Capital Pool AUM*	Pool Allocation	Int Pool AUM	Pool Allocation	TJU Target Allocation	Delta to Policy	Combined TJU LTP + LVH BD/TF	Pool Allocation	Wtd Target Allocation	Delta to Policy	IRFF Funds Consolidated AUM	Consolidated Allocation
US Equity	144,415	32.5%	188,771	64.8%	65%	-0.2%	\$1,014,769	22.6%	20.3%	2.3%	\$1,014,769	19%
Global Ex-US Equity							\$606,125	13.5%	12.3%	1.2%	606,125	12%
Global Equity							\$616,103	13.7%	13.3%	0.4%	616,103	12%
Real Assets							\$293,120	6.5%	6.3%	0.2%	293,120	6%
Return Seeking FI							\$272,896	6.1%	6.3%	-0.3%	272,896	5%
Core Plus Fixed Income							\$649,270	14.5%	16.7%	-2.2%	838,041	16%
Short Duration Bonds							\$95,759	2.1%	1.7%	0.5%	330,592	6%
Private Debt							\$121,677	2.7%	3.3%	-0.6%	121,677	2%
Hedge Funds							\$141,225	3.1%	2.3%	0.8%	141,225	3%
Private Equity							\$620,912	13.8%	16.0%	-2.2%	620,912	12%
Liquidity Reserves	299,560	67.5%	8,413	2.9%	0%	2.9%	\$28,819	0.6%	0.0%	0.6%	37,232	1%
Cash & CE Bank Balance			3,920	1.3%	2%	-0.7%	\$27,400	0.6%	1.3%	-0.7%	330,880	6%
Total	\$443,975	100.0%	\$291,522	100.0%	100.0%		\$4,488,075	100.0%	100.0%		\$5,223,572	100.0%



Liquidity

Private equity and private credit investments have limited liquidity or redemption options. Liquidity for private investments can be accomplished via secondary sale transactions. When available, distributions typically take place on a quarterly basis. Jefferson has made commitments to various private equity, private credit, and real asset limited partnerships. The total amount of unfunded private equity, private credit, and private real assets commitments is \$456 million at June 30, 2024. Jefferson expects these commitments to be called over the next seven years.

Hedge funds provide quarterly liquidity with 60 to 90 days' notice prior to the quarter's end limiting Jefferson's ability to respond quickly to changes in market conditions. Liquidity of individual hedge funds vary based on various factors and may include "gates", "holdbacks" and "side pockets" imposed by the manager of the hedge fund, as well as redemption fees which may also apply.

On an overall basis, Jefferson has 83% of its portfolio assets with liquidity under one week. In addition, the enterprise maintains lines of credit syndication currently totaling \$788 million.

Endowment Spending

The Commonwealth has not adopted the Uniform Management of Institutional Funds Act or the Uniform Prudent Management of Institutional Funds Act. As a result, TJU's endowment spending is governed by Act 141 of 1998. In accordance with the Pennsylvania Act, the objective of TJU's investment policy is to provide a level of spendable income that is sufficient to meet the current and future budgetary requirements of TJU consistent with the goal of protecting the purchasing power of the investments. As a result of the negative financial impact to nonprofit organizations from COVID-19, the Pennsylvania Act was amended to permit nonprofit organizations to increase the calculation of spendable income from endowment funds up to 10% of the calculated three-year average of the endowment market value for fiscal years ending within 2020, 2021 and 2022. Fiscal years 2023 and 2024 have reverted to pre-COVID-19 spending guidance.

RETIREMENT BENEFITS

TJU provides retirement benefits to eligible employees through defined contribution and defined benefit plans based on an employee's hire date and employing entity. With the exception of the AEHN Defined Benefit Plan (as defined below), all Defined Benefit plans are closed to new entrants. The plans are employee benefit plans intended to comply with all applicable federal laws and regulations, including the Code, and the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Defined Contribution Plans

TJU's primary retirement programs are offered through various defined contribution plans sponsored by the entities within TJU's controlled group. Retirement benefits are provided for employees through direct employer contributions to multiple externally administered, multi-asset class investment platforms. For all plans except those sponsored by LVHN, fund selection and oversight is conducted by the Chief Investment Officer, an external consultant and the Investment Committee of the TJU Board. For the LVHN plans, fund selection and oversight is conducted by the Senior Vice President of Treasury, an external consultant, and the Finance Committee of the LVHN Board.

Defined Benefit Plans

Beginning in 2018, TJU began to consolidate its legacy non-contributory defined benefit pension plans into a new plan named "Jefferson Defined Benefit Plan" (the "Plan"). As of August 2024, the Plan represents the consolidation of the Jefferson Employees' Pension Plan, the Pension Plan of Abington Memorial Hospital, the Aria Health Pension Plan, the Kennedy Health System Cash Balance Pension Plan, the Magee Rehabilitation Hospital Defined Benefit Pension Plan, and the Albert Einstein Medical Center Employees' Retirement Plan (the "Einstein Plan").

With the exception of the Einstein Plan, each of the legacy plans that constitute the Plan is frozen to new participants. Some of these legacy plans remain in a contributory status for a group of active legacy employees that meet certain age and years of service thresholds. An employee's benefit under the Plan is based on their legacy sponsoring organization's benefit structure as set forth in the Plan.

The Einstein Plan is a non-contributory, defined benefit retirement plan that provides retirement benefits, generally at age 65, to all employees except those employed by EMCM and FPS. Because benefits under the Einstein Plan are based on average final pay and years of service, they vary for each individual. Both EMCM and FPS curtailed their individual non-contributory defined benefit plans effective May 31, 2003. Benefit accruals were frozen as of that date. Liabilities of these plans remain outstanding.

The only legacy defined benefit plan that has not been consolidated into the Plan is the Lehigh Valley Health Network Inc. Retirement Plan ("LVHN Plan"). The LVHN Plan has been closed to new employees since October 1, 2011 and all future benefit accruals for active participants were frozen on December 31, 2021. Effective July 1, 2015 Hazleton General Hospital Pension Plan and Hazleton-Saint Joseph Medical Center Retirement Income Plan were merged into the LVHN Plan. Effective November 30, 2017, the Schuylkill Medical Center South Jackson Street Employees' Pension Plan and the Pocono Hospital Employees' Retirement Plan were merged into the LVHN Plan. All benefits provided under the original plans are unchanged.

Contributions to the Plan and to the LVHN Plan are designed to meet the minimum funding requirements of ERISA. During fiscal year ending June 30, 2025, TJU expects to contribute \$43.0 million to the Plan. See "Employee Benefit Plans" footnotes in the audited consolidated financial statements in Appendix B-1 to this Official Statement and "Retirement Plans" footnotes in the audited consolidated financial statements in Appendix B-2 to this Official Statement for additional information regarding TJU's and LVHN's respective defined benefit pension plans, their respective accumulated projected benefit obligations, the asset allocation of the plans, the funded status of the plans and related assumptions.

Participation in Multiemployer Defined Benefit Pension Plan

TJU is a participating employer in The Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity (the "Pension Fund"), a jointly-trusted multiemployer defined benefit pension plan. The Pension Fund is operated for the benefit of Chapter 1199C of the American Federation of State, County and Municipal Employees. For a discussion of the Pension Fund, see "Participation in Multiemployer Defined Benefit Pension Plan" in Note 14 to the audited consolidated financial statements of TJU attached as Appendix B-1.

FUNDRAISING AND CONTRIBUTIONS

Philanthropy is a key pillar of Jefferson's strategic plan. Jefferson is currently engaged in a 10-year comprehensive campaign, known as "Reimagine: The Campaign for Jefferson," culminating with the bicentennial in 2024. As of September 1, 2024, Jefferson has raised \$1.1 billion (110%) of the \$1 billion goal.

In fiscal year 2024, Jefferson received commitments totaling \$144 million to support education, research, capital projects and financial aid. The \$144 million was raised from a diverse group of sources including grateful patients, family and friends, trustees, estates, foundations, corporations and organizations, alumni, faculty and staff and government. In addition, Jefferson's "Physician Champion Program" initiative raised approximately \$45 million in funds from physician referrals in fiscal year 2024. In fiscal year 2021, TJU was the recipient of a conditional pledge of \$70 million.

The total revenue from contributions for the past three fiscal years is summarized in the table below on an unaudited pro forma basis (assuming Jefferson, as currently constituted including LVHN, existed during such periods). Contribution revenue does not include conditional promises to give and revocable commitments.

Unaudited Pro Forma Consolidated Contribution Revenues (\$000s)			
For the Fiscal Year Ended June 30,			
	2024	2023	2022
Without restriction	\$7,610	\$8,863	\$6,200
With donor restriction	<u>95,898</u>	<u>123,350</u>	<u>112,881</u>
Totals	\$103,508	\$132,213	\$119,081

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AT JEFFERSON

TJU's leadership believes that being healthy is not just a result of high-quality health care but that social determinants of health such as affordable housing, food and job security, clean air, reliable transportation and social connections are foundational for good health. Through its resources, reach, and collaborations, TJU is uniquely positioned to meaningfully address the social health needs, health inequities and community factors that contribute to total health and impact care delivery.

Environmental

Sustainability calls for policies and strategies that facilitate going green. TJU strives to meet this responsibility by developing and implementing comprehensive sustainable practices. With regard to energy consumption, 35% of TJU's electricity demand is supplied from a wind farm in northern Pennsylvania (zero pollution), with the balance of its electricity demand being carbon neutral via the purchase of nuclear energy. TJU is currently reviewing opportunities to participate in solar generated energy sources for a meaningful portion of its electricity demand. In 2024, the Jefferson Honickman Center achieved LEED Gold certification as a result of its comprehensive sustainability features.

Other environment-focused initiatives include subsidizing mass-transit utilization for employees, being the first system in the region to implement a comprehensive Pharmaceutical Disposal Program and winning the EPA Trail Blazer award for reducing Regulated Medical waste by three (3) pounds per patient day.

Social

TJU offers compassionate care to its community – from Center City to the suburbs. Jefferson Health is now the largest healthcare provider in the region and servicing urban and suburban populations. Its work extends beyond the bedside. Jefferson Health's Center for Urban Health seeks to improve the health and well-being of young and older residents in its service area through partnerships within the community through Project H.O.M.E., the ARCHES Project, and JeffPEERS. In fiscal year 2023, Jefferson provided nearly \$1.6 billion in charitable care and community benefit initiatives.

Philadelphia is home to an extensive art and culture scene, a large and diverse population of 1.5 million, and the highest concentration of universities and academic medical centers per population in the United States. In many ways, Philadelphia has the indicators of a thriving, vibrant city. Yet it is one of the least effective big cities in the nation for poverty and health outcomes. Jefferson Health is taking a leadership role in changing that reputation with the Philadelphia Collaborative for Health Equity (P-CHE) launch. This ambitious new program leverages the power of collective impact to address health disparities head-on, bringing together stakeholders throughout the city to identify the social and economic factors affecting community health—and creating targeted solutions to overcome them.

TJU is reimagining Diversity and Inclusion to promote and cultivate an inclusive environment that celebrates the diversity of its patients, families, students, workforce and the communities it serves. TJU believes that a diverse and inclusive environment is fundamental to its mission to advance education and health and the achievement of health equity. Undergraduate and graduate students from underrepresented populations at the University's East Falls Campus make up 42% and 27% of the student population respectively. Undergraduate and graduate students from underrepresented populations at the University's Center City Campus make up of 25% and 31% of the student population, respectively.

Governance

As a future-focused enterprise, where innovation and creativity are fundamental, TJU has ushered in a new governance structure that is ready to meet the unique and evolving oversight demands of the enterprise. On July 7, 2021, the TJU Board unanimously elected Ms. Patricia D. Wellenbach as the governing board chair, marking the first time in its 197-year history that a woman assumed the helm. The selection of Ms. Wellenbach comes at a critical juncture in TJU's history. In alignment with its Diversity and Inclusion objectives, TJU has increased its Board member diversity, with individuals of color and women accounting for 43% of the Trustees, including 14% African American representation.

INFORMATION TECHNOLOGY AND CYBERSECURITY

Jefferson Health continues to embrace new technologies. The implementation of the Epic Electronic Medical Record system is now in use at 88% of Jefferson's medical group practices and over 89% of Jefferson hospitals. Each of the respective statistics will be 100% when Epic is installed at Einstein Health Network on or about September 2026. The implementation of Epic results in a cohesive patient experience with physicians and providers now able to easily share patient information across practice sites and acute care settings. Jefferson Health has also invested in patient access technology with the goal of providing patient centered access in a consistent, measurable, and scalable fashion.

TJU's Information Security Department is responsible for the planning, implementation, and oversight of cybersecurity program to manage IT cyber risk. The program includes identifying and assessing cybersecurity risks, developing strategies to mitigate those risks, implementing cybersecurity controls and measures, and monitoring the effectiveness of those controls over time.

Key elements of TJU's cybersecurity program management include a comprehensive risk management framework, and a strong culture of security throughout the organization. The program utilizes numerous policies and procedures which outline the acceptable use of TJU's equipment, system access, configuration management, and device security. The Information Security team is also responsible for continuous monitoring. This is done with various tools such as an endpoint detection and response solution, secure web gateway, security incident event monitoring system, vulnerability scanning, data loss prevention, threat hunting, dark web monitoring, threat intelligence, risk assessments, and reporting key risk indicators. These systems are monitored 24 hours a day by internal and external service providers with established escalation and incident response plans.

In order to maintain resilience and enable business continuity, data are backed up off-site at a disaster recovery site. TJU's primary Electronic Health Records runs in a high availability hot/hot operation, meaning there is a second set of servers and data in another location, always running. To supplement the controls already mentioned, TJU maintains cyber insurance for instances such as network interruptions, data breaches, and other security and privacy incidents.

TJU has established robust blue and red team capabilities to stay up to date with the latest threats and vulnerabilities, developing and implementing incident response plans, and conducting regular training and awareness programs. In addition, independent third-parties assess TJU's security practices against the National Institute of Standards and Technology (NIST) Cybersecurity Framework and perform penetration tests against external and internal systems, and controls.

INSURANCE

TJU maintains professional liability insurance coverage using a combination of self-insurance and commercial insurance/reinsurance for itself and its Pennsylvania and New Jersey Organizations.

TJU and/or individual entity subsidiaries also maintain other types of insurance, including coverage for general liability, property, directors' and officers' liability, workers compensation/employer's liability, cyber/privacy and security liability, excess/umbrella liability with limits/retentions/terms and conditions that are deemed reasonable and customary for universities and health systems of comparable size and scope of services. See Note 15 to the audited consolidated financial statements included in Appendix B-1 to this Official Statement for additional information regarding TJU's insurance coverages. See Note 9 to the audited consolidated financial statements included in Appendix B-2 to this Official Statement for additional information regarding LVHN's

insurance coverages. For a more detailed discussion of medical professional liability insurance, see “BONDHOLDERS’ RISKS – Medical Professional Liability Insurance Market” in the forepart of the Official Statement.

LITIGATION

Lawsuits and claims are filed against TJU in the ordinary course of business. While the outcome of many of these actions is not presently determinable, it is the opinion of management that any resulting liability from these actions or, to its knowledge, any threatened actions, will not have a material adverse effect on the consolidated results of operations or the consolidated financial position of TJU. Moreover, TJU has a comprehensive program for primary and excess insurance, summarized above. If, however, a final judgment were entered in any action in excess of its insurance coverage, TJU would be liable for the excess. Management of TJU believes that any currently pending or, to its knowledge, threatened, lawsuits subjecting TJU to liability not covered by insurance would not have a materially adverse effect on TJU’s consolidated operations, finances or properties.

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APPENDIX B-1

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Thomas Jefferson University

Consolidated Financial Statements

June 30, 2024 and 2023

Thomas Jefferson University
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June 30, 2024 and 2023

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Report of Independent Auditors

To the Board of Trustees of Thomas Jefferson University

Opinion

We have audited the accompanying consolidated financial statements of Thomas Jefferson University and its subsidiaries (the "University"), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of operations and changes in net assets without donor restrictions, of changes in net assets and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, the results of its operations, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers LLP

October 10, 2024

Thomas Jefferson University
Consolidated Balance Sheets
June 30, 2024 and 2023
(In Thousands)

Assets	2024	2023
Current assets:		
Cash and cash equivalents	\$562,202	\$743,046
Short-term investments	655,137	860,162
Accounts receivable	1,161,036	873,006
Insurance premium receivable	181,479	214,653
Inventory and supplies	166,300	151,767
Pledges receivable, current	44,988	41,266
Insurance recoverable, current	141,407	147,351
Assets whose use is limited, current	812	1,915
Other current assets	111,118	141,573
Total current assets	<u>3,024,479</u>	<u>3,174,739</u>
Long-term investments	3,242,347	2,954,704
Assets whose use is limited, noncurrent	26,510	209,986
Assets held by affiliated foundations	53,560	44,781
Pledges receivable, noncurrent	81,421	111,262
Goodwill	246,109	246,109
Insurance recoverable, noncurrent	321,654	316,575
Loans receivable from students, net	19,163	19,562
Land, buildings and equipment, net	4,273,307	4,188,135
Right-of-use assets	337,639	310,609
Other noncurrent assets	207,490	195,406
Total assets	<u><u>\$11,833,679</u></u>	<u><u>\$11,771,868</u></u>
Liabilities and Net Assets		
Current liabilities:		
Current portion of:		
Long-term obligations	\$363,422	\$47,818
Accrued professional liability claims	221,004	223,308
Accrued workers' compensation claims	16,677	17,633
Deferred revenues	60,961	49,275
Operating lease obligations	49,773	48,911
Accounts payable and accrued expenses	670,992	621,024
Medical costs payable	187,837	183,363
DHS insurance program payable	57,297	154,582
Accrued payroll and related costs	451,887	462,218
Total current liabilities	<u>2,079,850</u>	<u>1,808,132</u>
Long-term obligations	3,111,618	3,467,899
Accrued pension liability	100,191	243,893
Federal student loan advances	4,455	5,254
Accrued professional liability claims	653,018	663,336
Accrued workers' compensation claims	24,415	26,396
Interest rate hedges	9,203	11,987
Operating lease obligations	296,891	312,598
Other noncurrent liabilities	111,836	99,784
Total liabilities	<u>6,391,477</u>	<u>6,639,279</u>
Net assets:		
Net assets without donor restriction - Thomas Jefferson University	4,209,880	3,933,422
Noncontrolling interest in joint ventures	46,467	42,652
Total net assets without donor restriction	<u>4,256,347</u>	<u>3,976,074</u>
Net assets with donor restriction	1,185,855	1,156,515
Total net assets	<u>5,442,202</u>	<u>5,132,589</u>
Total liabilities and net assets	<u><u>\$11,833,679</u></u>	<u><u>\$11,771,868</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

Thomas Jefferson University
Consolidated Statements of Operations and Changes in Net Assets without Donor Restrictions
For the Years Ended June 30, 2024 and 2023
(In Thousands)

	2024	2023
Operating revenues, gains and other support:		
Net patient service revenue	\$6,384,366	\$6,119,905
Insurance premium revenue	2,163,755	2,148,677
Grants and contracts	166,891	168,360
Tuition and fees, net	227,912	223,153
Investment income	199,427	163,899
Contributions	6,494	5,387
Other revenue	776,530	799,577
Net assets released from restrictions	74,281	71,529
Total operating revenues, gains and other support	<u>9,999,656</u>	<u>9,700,487</u>
Operating expenses:		
Salaries and wages	3,922,664	3,751,152
Employee benefits	873,634	884,529
Insurance services medical expenses	1,664,816	1,593,742
Supplies	1,450,663	1,357,436
Purchased services	725,868	855,947
Depreciation and amortization	304,189	358,567
Interest	116,009	116,406
Insurance	194,304	160,249
Utilities	70,326	70,509
Other	675,841	630,497
Total operating expenses	<u>9,998,314</u>	<u>9,779,034</u>
Income (Loss) from operations	<u>1,342</u>	<u>(78,547)</u>
Nonoperating items and other changes in net assets without donor restriction, net:		
Return on investments, net of amounts classified as operating revenue	100,971	106,827
Value of noncontrolling interest	-	28,386
Loss on investment in acquisitions	-	(1,410)
Interest rate hedges	2,450	4,923
Reclassification of net assets	(423)	(889)
Net assets released from restrictions used for purchase of property and equipment	51,616	4,401
Decrease in pension liability	130,291	151,582
Distributions to noncontrolling interest	(5,974)	(6,000)
Other	-	361
Increase in nonoperating items and other changes in net assets without donor restriction	<u>278,931</u>	<u>288,181</u>
Increase in net assets without donor restriction	<u><u>\$280,273</u></u>	<u><u>\$209,634</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

Thomas Jefferson University
Consolidated Statements of Changes in Net Assets
For the Years Ended June 30, 2024 and 2023
(In Thousands)

	2024	2023
Net assets without donor restriction:		
Revenues, gains and other support	\$9,999,656	\$9,700,487
Expenses	(9,998,314)	(9,779,034)
Nonoperating items and other changes in net assets without donor restriction, net	<u>278,931</u>	<u>288,181</u>
Increase in net assets without donor restriction	<u>280,273</u>	<u>209,634</u>
Net assets with donor restriction:		
Contributions	71,537	115,270
Gain on investments, net	48,905	41,186
Net gain on externally held trusts	15,968	8,450
Investment income	7,873	7,473
Net assets released from restrictions	(125,897)	(75,930)
Changes in net assets held by affiliated foundations	8,779	2,079
Change in value of split interest agreements	1,752	204
Reclassification of net assets	<u>423</u>	<u>890</u>
Increase in net assets with donor restriction	<u>29,340</u>	<u>99,622</u>
Increase in net assets	309,613	309,256
Net assets, beginning of year	<u>5,132,589</u>	<u>4,823,333</u>
Net assets, end of year	<u><u>\$5,442,202</u></u>	<u><u>\$5,132,589</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

Thomas Jefferson University
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023
(In Thousands)

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$309,613	\$309,256
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Value of noncontrolling interest	-	(28,386)
Decrease in pension liability	(130,291)	(151,582)
Depreciation and amortization	304,189	359,693
Bond premium and deferred financing fees amortization, net	(10,011)	(11,562)
Change in assets held by affiliated foundation	(8,779)	(2,078)
Gain on investments and other, net	(332,351)	(301,601)
Loss on disposal	23,416	-
Gain on investment in acquisitions	-	(126,553)
Net gain on interest rate hedges	(2,450)	(4,923)
Distribution to noncontrolling interest	5,974	6,000
Funds withheld under the Medicare Accelerated and Advance Payment Program	(70)	(129,694)
Contributions designated for acquisition of long-term assets	(43,372)	(37,571)
Net change due to:		
Accounts receivable	(288,030)	(113,038)
Insurance premium receivable	33,174	265,124
Pledges receivable	26,119	(4,562)
Inventory and supplies	(14,533)	631
Accounts payable and accrued expenses	49,968	1,160
Medical costs payable	4,474	60,693
DHS insurance program payable	(97,285)	20,306
Accrued payroll and related costs	(10,331)	(781)
Accrued pension liability	(13,411)	(5,636)
Insurance recoverable and accrued professional and workers' compensation claims	(14,694)	33,885
Dividends received from joint ventures	3,802	3,734
Other assets and liabilities	38,782	(86,136)
Net cash (used in) provided by operating activities	<u>(166,097)</u>	<u>56,379</u>
Cash flows from investing activities:		
Cash received in acquisitions, net	-	22,096
Sale of business proceeds	-	108,000
Purchase of land, buildings and equipment	(756,546)	(418,089)
Purchases of investments and assets whose use is limited	(7,734,076)	(6,673,757)
Proceeds from sales of investments and assets whose use is limited	8,162,868	7,342,647
Student loans issued	(3,636)	(3,162)
Student loans repaid	3,325	3,485
Net cash (used in) provided by investing activities	<u>(328,065)</u>	<u>381,220</u>
Cash flows from financing activities:		
Distribution to noncontrolling interest	(5,974)	(6,000)
Contributions designated for acquisition of long-lived assets	43,372	37,571
Federal student loan advances	(519)	(223)
Deferred financing fees	(805)	-
Proceeds from revolving line of credit	660,000	450,000
Repayments from revolving line of credit	(660,000)	(500,000)
Proceeds from long-term obligations	315,055	-
Repayment of long-term obligations	(37,811)	(79,889)
Net cash provided by (used in) financing activities	<u>313,318</u>	<u>(98,541)</u>
Net (decrease) increase in cash and cash equivalents	(180,844)	339,058
Cash and cash equivalents at beginning of period	743,046	403,988
Cash and cash equivalents at end of period	<u>\$562,202</u>	<u>\$743,046</u>
Supplemental disclosures:		
Interest paid (net of amount capitalized)	\$152,671	\$149,009
Accounts payable related to buildings and equipment	\$54,623	\$72,554
Operating cash flows for operating leases	\$54,654	\$53,765
Right-of-use assets obtained in exchange for lease obligations	\$31,514	\$32,605
Long-term construction obligation	-	\$141,815

The accompanying notes are an integral part of the consolidated financial statements.

Thomas Jefferson University
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements represent the consolidated balance sheets, statement of operations and changes in net assets without donor restrictions, statements of changes in net assets and statements of cash flows of Thomas Jefferson University (“TJU”), including Jefferson Health Corporation (“JHC”) and Jefferson Health Plans (“JHP”).

TJU is an independent, non-profit corporation organized under the laws of the Commonwealth of Pennsylvania (“the Commonwealth”) and recognized as a tax-exempt organization pursuant to Section 501(c) (3) of the Internal Revenue Code. TJU has a tripartite mission of education, research and patient care. TJU conducts research and offers undergraduate and graduate instruction through the Sidney Kimmel Medical College, the Jefferson College of Nursing, the Jefferson College of Pharmacy, the Jefferson College of Health Professions, the Jefferson College of Population Health, the Jefferson College of Biomedical Sciences, the Jefferson College of Rehabilitation Sciences, the Kanbar College of Design, Engineering and Commerce, the School of Continuing and Professional Studies, the College of Architecture and the Built Environment, and the College of Science, Health and the Liberal Arts. TJU has approximately 7,415 students and is located in Philadelphia, Pennsylvania, with additional campus locations in the Greater Philadelphia Region. TJU includes the accounts of subsidiaries of Thomas Jefferson University including Philadelphia University, TJU Inc., 1100 Walnut Associates, Walnut Realty Company, 925 Walnut Holding LLC, 925 Walnut Corporation, Bildex Corporation, Jefferson Horizons Research LLC, JeffCare Alliance LLC, JeffCare Inc., Jefferson Partners Holding, LLC, Partners Insurance Company, Inc., Partners Insurance Company of New Jersey, Inc., Jefferson-Solis Mammography Services, LLC (“JSMS”, a 60% owned joint venture) and Jefferson Italy.

JHC is an integrated healthcare organizations that provide inpatient, outpatient and emergency care services through acute care, ambulatory care, rehabilitation care, physician and other primary care services for residents of the Greater Philadelphia Region. TJU is the sole corporate member of JHC. JHC includes the accounts of subsidiaries of JHC, including Thomas Jefferson University Hospitals, Inc.; Abington Memorial Hospital; Lansdale Hospital Corporation; Jefferson Health Northeast; Kennedy University Hospital, Inc.; Magee Rehabilitation Hospital; Albert Einstein Medical Center; Einstein Medical Center Montgomery; Jefferson University Radiology Associates (“JURA”, an 80% owned joint venture); the Riverview Surgery Center at the Navy Yard, LP (“Riverview”, a 51% owned joint venture); Jefferson Ambulatory Surgery Services, LLC; Jefferson Ambulatory Surgery Real Estate Holdings, LLC; Rothman Orthopaedic Specialty Hospital, LLC (“ROSH”, a 54% owned joint venture); the Atrium Corporation; Healthmark, Inc.; Jeffex Inc.; Emergency Transport Associates, Inc.; Walnut Home Therapeutics, Inc.; Mid-Atlantic Maternal Fetal Institute, Inc.; Jefferson Health – Northeast Foundation; System Service Corporation; T.F. Development, Inc.; TMB Enterprises; Juniata Medical Building Partners; Health Care, Inc.; Abington Health Foundation; Kennedy Health Care Foundation; Kennedy Property Corporation; Kennedy Health Facilities, Inc.; Kennedy Management Group, Inc.; Einstein Practice Plan, Inc.; Einstein Community Health Associates; Montgomery Hospital Medical Center; Fornance Physician Services; BCCT Over

Thomas Jefferson University
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Corp; Einstein Healthcare Systems, Inc.; Einstein Care Partners, Inc.; and the accounts and subsidiaries of Jefferson Medical Group including Health Services LLC, Kennedy Medical Group Practice PC, d/b/a Kennedy Health Alliance; Aria Health Orthopaedics; Methodist Associates in Healthcare, Inc. (d/b/a Jefferson Community Physicians); Methodist Associates in Healthcare of New Jersey, PC (d/b/a Jefferson Community Physicians of New Jersey); Jefferson Medical Care; Jefferson University Physicians; Jefferson University Physicians of New Jersey; Jefferson University Physicians of New Jersey – Kidney Transplant Specialists, PC; Jefferson Health New Jersey Direct Primary Care, PC; Jefferson Acute Care Physicians, PC; and Aria Physician Services.

JHP provides access to healthcare services on a prepaid basis. JHP is licensed by the Commonwealth Departments of Insurance and Health to operate as a Health Maintenance Organization. Pursuant to an agreement effective through August 31, 2022 with the Department of Human Services of the Commonwealth of Pennsylvania (“DHS”), JHP provides for the provision of physical health Medical Assistance (“MA”) Program benefits through its HealthChoices Medicaid Program to enrollees residing in the Southeast Zone (Philadelphia and four surrounding counties – Bucks, Chester, Delaware, and Montgomery). Effective September 1, 2022, JHP entered into a DHS Expansion contract which covers all HealthChoices zones (Northeast, Northwest, Southeast, Southwest and Lehigh/Capital) in Pennsylvania. Additionally, JHP provides comprehensive physical and behavioral health insurance through the Commonwealth of Pennsylvania’s Children’s Health Insurance Program (CHIP) and its Medicare Advantage program and products through a contract with the Centers for Medicare and Medicaid Services. JHP provides comprehensive (physical and behavioral) health insurance through the Affordable Care Act (ACA) Marketplace. JHP’s ACA program offers coverage to individuals and families who are eligible under the ACA guidelines. JHP is committed to ensuring that ACA recipients residing in Philadelphia, Bucks, and Montgomery counties have access to high-quality health care, in line with federal and state regulations. As of June 30, 2024, there were approximately 312,100, 17,700, 13,200 and 11,100 members enrolled with Health Partners HealthChoices, CHIP, Medicare and ACA programs, respectively. JHP includes the accounts and subsidiaries of JHP including SelectScripts, LLC; Health Partners Solutions, LLC and Health Partners Foundation.

Subsequent Events

TJU has performed an evaluation of subsequent events through October 10, 2024, which is the date the consolidated financial statements were issued.

Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on an accrual basis. All significant intercompany accounts and transactions have been eliminated. Transactions with related parties occur in the ordinary course of the TJU’s activities which do not have a material effect on the TJU’s financial position. Related parties may include affiliates, trusts, and investment holdings. In addition, related parties may also include board members and senior management, their family members, and any entities with which they are associated that may do business with the University.

Thomas Jefferson University
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

TJU classifies net assets as follows:

Net Assets without Donor Restrictions are those net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in fulfilling the mission of TJU. These net assets may be used at the discretion of TJU's management and the Board of Trustees.

Net Assets with Donor Restrictions are those net assets whose use by TJU has been limited by donors to a specific time period or purpose. Some donor restrictions are temporary in nature; those restrictions will be met by actions of TJU and/or the passage of time. Other donor restrictions are perpetual in nature, where the funds are to be maintained in perpetuity by TJU, per the stipulation of the donor.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of operations and changes in net assets without donor restrictions.

TJU's operating activities within the consolidated statements of operations and changes in net assets without donor restrictions includes revenues and expenses from providing education, research, patient and insurance services, grants and contracts, tuition and fees, unrestricted contributions, net assets released from restriction, government support for Covid-19, distributions of investment returns based on TJU's spending policy and other revenue.

TJU's non-operating activities within the consolidated statements of operations and changes in net assets without donor restrictions include investment returns and other activities related to endowment, loss on investment in acquisitions, interest rate hedges, net assets released from restrictions used for the purchase of property and equipment, value of and distributions to noncontrolling interest, , reclassification of net assets and long-term benefit plan obligation funding changes that are not part of the TJU's operating activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of the financial statements including, but not limited to, recognition of net patient service revenue, which includes implicit price concessions; recognition of estimates for healthcare professional and general liabilities; determination of fair values of certain financial instruments; recognition of medical costs payable and assumptions for measurement of pension obligations. Management relies on historical experience and other assumptions believed to be reasonable relative to the circumstances in making judgments and estimates. Actual results could differ from those estimates.

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Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments in highly liquid debt instruments with a maturity of three months or less when purchased and are carried at cost, which approximates fair value. All short-term, highly liquid investments, including any such investments purchased with funds on deposit with bond trustees, otherwise qualifying as cash equivalents or restricted cash equivalents, within TJU's investments and assets whose use is limited are treated as investments, at fair value and are therefore excluded from Cash and cash equivalents in the consolidated statements of cash flows.

Short-term investments

Investments classified as short-term investments are available to fund current operations as needed and exclude quasi-endowment funds, donor restricted endowment funds (including beneficial interests in perpetual trusts administered by third parties), investments held under split-interest agreements and investments subject to the equity method.

Charitable Medical Care Provided

TJU provides medically necessary services to all patients regardless of their ability to pay. Some patients qualify for charity care based on policies established by TJU and are therefore not responsible for payment for all or a part of their healthcare services. These policies allow for the provision of free or discounted care in circumstances where requiring payment would impose financial hardship on the patient.

TJU maintains records to identify and monitor the level of charity care provided. These records include the amount of charges foregone for services and supplies furnished. Such amounts have been excluded from net patient service revenue. Management estimates that the cost of charity care provided by TJU was \$47.3 million and \$41.5 million for the years ended June 30, 2024 and 2023, respectively. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the TJU total expenses divided by gross charges.

Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration to which TJU expects to be entitled in exchange for providing patient care.

TJU determines the transaction price based on gross charges for services provided, less contractual adjustments provided to third-party payers based upon agreements, discounts provided to uninsured patients pursuant to TJU's policies, and implicit price concessions provided to uninsured patients and patients with insurance that are responsible for co-pay and/or deductible amounts. TJU determines its estimate of implicit price concessions based upon historical collection experience using a portfolio approach as a practical expedient. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to net patient service revenues in the period of change.

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TJU determines performance obligations based upon the nature of the services provided. Net patient service revenue is recognized as performance obligations are satisfied. TJU recognizes revenues for performance obligations satisfied over time based on actual charges incurred in relation to total expected charges. Generally, performance obligations satisfied over time relate to patients in our hospitals receiving inpatient acute care services or patients receiving services in our outpatient centers. TJU measures the performance obligation from admission into the hospital, or the commencement of an outpatient service, to point when there are no further services required for the patient, which is generally at the time of discharge or completion of the outpatient services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to our patients and customers in a retail setting (for example, pharmaceuticals and medical equipment) and TJU does not believe it is required to provide additional goods or services to the patient.

As substantially all of TJU's patient service performance obligations relate to contracts with a duration of less than one year, TJU has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks after the end of the reporting period.

Net patient service revenue includes estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Revenue from the Medicare and Medicaid programs accounted for approximately 42.3% and 15.2%, respectively, and 42.4% and 17.2%, respectively of net patient service revenue in 2024 and 2023, respectively. Most payments to TJU from the Medicare and Medicaid programs for inpatient hospital services are made on a prospective basis. Under these programs, payments are made at a pre-determined specific rate for each discharge based on a patient's diagnosis. Additional payments are made to TJU teaching and disproportionate share hospitals, as well as for cases that have unusually high costs. Laws governing the Medicare and Medicaid programs are complex and subject to interpretation. Services billed to the Medicare program are subject to external review for both medical necessity and billing compliance. Medicare cost reports for all years, except 2011, 2020, 2021, 2022, 2023 and 2024 have been audited and final settled as of June 30, 2024. No significant adjustments are expected. In addition, TJU received funds from the Philadelphia Hospital Assessment program and the Medical Assistance Modernization Act-Quality Care Assessment program in the amount of \$331.7 million and \$313.6 million in 2024 and 2023, respectively, and are recorded in net patient service revenue. TJU paid taxes in respect to these programs amounting to \$181.4 million and \$158.1 million in 2024 and 2023, respectively, and are recorded in other operating expenses. Both programs were

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designed to provide supplemental funding for licensed acute care hospitals with the Philadelphia Hospital Assessment program specifically designated for hospital emergency services.

TJU has also entered into agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to TJU under these agreements includes prospectively determined rates per discharge, discounts from established charges, prospectively determined daily rates and capitated rates. In addition, incentives are paid for high performance with regard to clinical outcome, patient quality, patient satisfaction and efficiency. Revenue from Blue Cross and Aetna USHC amounted to 23.8% and 7.5%, respectively, and 22.0% and 7.1%, respectively, of TJU's net patient service revenue in 2024 and 2023, respectively.

Insurance Premium Revenue

Healthcare insurance premiums are recognized as revenue in the month in which the enrollee is entitled to receive health care services and are reported net of an allowance for estimated terminations and uncollectible amounts. Additionally, certain premium revenue subject to the minimum medical loss ratio ("MLR") rebate requirements of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 is recorded net of the estimated minimum MLR rebates. Insurance premium revenue includes MA, Medicare and CHIP contracts.

Medical Costs Payable

Medical costs payable consists principally of unpaid fee-for-service medical and pharmacy claims and capitation costs related to JHP's products. Unpaid healthcare claims include an estimate of payments to be made on claims reported but not yet paid and for healthcare services rendered to members but not yet reported to JHP as of the date of the Consolidated Balance Sheets, collectively, referred to as incurred but not reported (IBNR). Also included in these estimates is the cost of services that will continue to be rendered after the Consolidated Balance Sheets date if JHP is obligated to pay for such services in accordance with contractual or regulatory requirements.

Such estimates are developed using actuarial principles and assumptions which consider, among other things, historical and projected claim submission and processing patterns, assumed and historical medical cost trends, historical utilization of healthcare services, claim inventory levels, changes in membership and product mix, seasonality, and other relevant factors. JHP reflects changes in these estimates in healthcare costs in operating results in the period they are determined. While the ultimate amounts of claims and related expenses are dependent on future developments, it is management's opinion that the liabilities that have been established are adequate to cover such costs.

Grants and Contracts

Grants and contracts revenue primarily represents research activity sponsored by governmental and private sources. TJU's primary source of federal sponsored support is the Department of

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Health and Human Services. In 2024 and 2023, revenue earned from federal sources totaled \$123.4 million and \$116.6 million, respectively. Facilities and administrative costs recovered on federally sponsored programs are generally based on predetermined rates negotiated with the Federal Government while recovery on all other sponsored projects is based on rates negotiated with the respective sponsor. Funds received for sponsored research activity are subject to audit. Based upon information currently available, management believes that any liability resulting from such audits will not materially affect the consolidated financial position or operations of TJU.

Tuition and Fees

Tuition and fees revenue is recognized in the fiscal year in which the academic programs are delivered. Tuition and fees received in advance of services to be rendered are reported as deferred revenue on the consolidated balance sheets. TJU provides financial aid to eligible students in the form of institutional scholarships, loans and employment during the academic year. Tuition and fees have been reduced by certain institutional grants and scholarships in the amount of \$93.7 million and \$88.4 million in 2024 and 2023, respectively.

Contributions

Contributions, including unconditional promises to donate cash and other assets, are recognized at fair value on the date of receipt, recognized as revenue in the period received and are reported as increases in the appropriate net asset category based on with or without donor restrictions. Pledges received which are to be paid in future periods, and contributions restricted by the donor for specific purposes are reported as net assets with donor restriction support. When a donor restriction expires, that is, when a time restriction ends or stipulated purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction.

Collections

TJU capitalizes works of art, historical treasures, or similar assets (collectively, Collections). Collections are recorded at fair value at the date of the contribution and are not depreciated. Collections of approximately \$9.5 million and \$5.7 million are included in other noncurrent assets on the consolidated balance sheets at June 30, 2024 and 2023, respectively.

Investments

Investments are stated at fair value. The fair value of all debt and equity securities with a readily determinable fair value are based on quotations obtained from national securities exchanges. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. As a practical expedient, TJU is permitted under the *Fair Value Measurement* standard to estimate the fair value of an investment in an investment company at the measurement date using the reported net asset value (NAV). Adjustment is required if TJU expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with US generally accepted accounting principles (US GAAP). TJU's investments are valued based on the most current NAV adjusted for cash flows when the reported NAV is not at the measurement date. This amount represents fair value of these investments at June 30, 2024 and 2023. TJU performs additional procedures including

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due diligence reviews on its alternative investments and other procedures with respect to the capital account or NAV provided to ensure conformity and compliance with valuation procedures in place, the ability to redeem at NAV at the TJU measurement date and existence of certain redemption restrictions at the measurement date. TJU reviews the values as provided by the investment managers and believes that the carrying amount of these investments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated values are subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

The Commonwealth of Pennsylvania has not adopted the Uniform Management of Institutional Funds Act (UMIFA) or the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Rather, the Pennsylvania Act governs the investment, use and management of TJU's endowment funds. The Pennsylvania Act allows a nonprofit to elect to appropriate for expenditure an investment policy that seeks the long-term preservation of the real value of the investments. In accordance with the Pennsylvania Act, the objectives of TJU's investment policy is to provide a level of spendable income which is sufficient to meet the current and future budgetary requirements of TJU and which is consistent with the goal of protecting the purchasing power of the investments. In accordance with the Pennsylvania Act, TJU's calculation of spendable income for endowment funds was based on 7% of a calculated three-year average for 2024 and 2023.

TJU's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. These funds are held in various high-quality financial institutions managed by TJU personnel and outside advisors. TJU maintains its cash and cash equivalents in financial institutions, which at times exceed federally insured limits.

Assets Held by Affiliated Foundations

The Methodist Hospital Foundation ("MHF") and Magee Rehabilitation Hospital Foundation ("MRHF") are separate entities not under the control of TJU. MHF and MRHF accept gifts and bequests and engage in fundraising activities for the benefit of Methodist Hospital and Magee, respectively. The Board of Trustees of MHF and MRHF, at their sole discretion, are authorized to contribute funds to Methodist Hospital and Magee, respectively.

While the sole purpose of MHF and MRHF are to support Methodist Hospital and Magee, this accounting treatment does not imply that MHF and MRHF assets or investment income are those of TJU. The consolidated balance sheets do not reflect or establish the legal relationship, agency or otherwise, between MHF, MRHF and TJU, or any right to assets owned by MHF and MRHF. The by-laws of MHF and MRHF provide that all assets they hold shall not be subject to attachments, execution, or sequestration for any debt, obligation or liability of TJU or any other person or entity. In particular, MHF and MRHF are not party to or obligated by any debt instrument of TJU, and assets owned by MHF and MRHF, are not subject to the lien of any such debt instrument. Underlying investments held by MHF and MRHF with restrictions benefiting only Methodist Hospital and Magee, respectively, are presented in the consolidated balance sheets as follows (in thousands):

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	2024	2023
Methodist Hospital Foundation	\$12,419	\$11,604
Magee Rehabilitation Hospital Foundation	41,141	33,177
Total	<u>\$53,560</u>	<u>\$44,781</u>

Split Interest Agreements

TJU's split-interest agreements consist of charitable gift annuities, pooled income funds, and charitable remainder trusts. Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments. Contribution revenue for pooled income funds is recognized upon establishment of the agreement at the fair value of the estimated future receipts discounted for the estimated time period to complete the agreement.

Loans Receivable from Students

Many students receive financial aid that consists of scholarship grants, work-study opportunities and student loans. TJU participates in various federal revolving loan programs, in addition to administering institutional loan programs. Student loan programs are funded by donor contributions, other institutional sources, and governmental programs.

The amounts received from the federal government's portion of federal loan programs are ultimately refundable to the federal government and are reported as a liability on TJU's consolidated balance sheets as federal student loan advances. Determination of the fair value of student loans receivable is not practicable.

Student loans receivable, net of allowance for doubtful accounts, consists of the following at June 30, 2024 and 2023 (in thousands):

	2024	2023
Direct student loans, net	\$14,319	\$15,093
Federally-sponsored student loans	4,844	4,469
Total	<u>\$19,163</u>	<u>\$19,562</u>

TJU assesses the adequacy of the allowance for doubtful accounts related to direct student loans receivable by performing evaluations of the student loan portfolio, including a review of the aging of the student loan receivable balances and of the default rate by loan program in comparison to prior years. The level of allowance is adjusted based on the results of this analysis. The federally sponsored student loans receivable represents amounts due from current and former students under various Federal Government loan programs. For direct student loans it is TJU's policy to reserve 100% of a loan when the loan is delinquent 2 years or more; a reserve of 85% is recorded for loans delinquent more than 270 days and less than 2 years. TJU considers the allowance recorded at June 30, 2024 and 2023 to be reasonable and adequate to absorb potential credit losses inherent in the student loan portfolio.

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Land, Buildings, and Equipment, net

Land, buildings, and equipment are carried at cost on the date of acquisition or fair value on the date of donation in the case of gifts. Depreciation expense is computed on a straight-line basis over the estimated useful lives of the assets, excluding land. All gifts of land, buildings, and equipment are recorded as unrestricted non-operating activities unless explicit donor stipulations specify how the donated assets must be used. Interest expense on borrowed funds used for construction, net of interest income earned on unexpended amounts, is capitalized through the completion of construction.

During the year ended June 30, 2024, TJU changed the estimated useful lives of its buildings and equipment, primarily impacting buildings and building improvements from 5-40 years to 5-45 years. The effect was a net decrease in depreciation expense of approximately \$68.0 million.

Leases

TJU leases property and equipment under finance and operating leases. TJU determines whether an arrangement is a lease at inception. For leases with terms greater than 12 months, TJU records the related right-of-use (ROU) assets and lease liabilities at the present value of lease payment over the term. The determination of lease payments factors in rental escalation clauses and options to extend or terminate the lease, if the clauses are reasonably certain to be exercised. TJU separates the lease and non-lease components of contracts. TJU's incremental borrowing rate, is used to determine the present value of lease of payments.

Operating leases are included in ROU assets, current portion of operating lease obligations and operating lease obligations on the consolidated balance sheets. Operating lease expense is recognized on the straight-line basis over the lease term and is included in the other operating expense line on the consolidated statements of operations and changes in net assets without donor restrictions.

Finance leases are included in land, buildings and equipment, net, current portion of long term obligations and long term obligations on the consolidated balance sheets. Amortization of finance leases is included in depreciation expense on the consolidated statements of operations and changes in net assets without donor restrictions.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Any excess of the purchase price over the estimated fair value of the identifiable net assets acquired is recorded as goodwill. The determination of the estimated fair value of net assets acquired requires management's judgment and often involves the use of significant estimates and assumptions.

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The change in the carrying amount of goodwill for the year ended June 30, 2024 and 2023 is as follows (in thousands):

	2024	2023
Beginning balance	\$246,109	\$216,140
Additions	-	29,969
Ending balance	<u>\$246,109</u>	<u>\$246,109</u>

Sale of Laboratory Outreach Testing Business

In June 2023, TJU entered into an agreement with an unrelated entity for the sale of TJU's laboratory outreach testing business. The intent of the agreement is to enhance clinical test quality and the efficient and timely delivery of laboratory services for patients and physicians, provide clinical educational opportunities for students, medical residents and fellows and to further the academic and research mission of TJU. TJU recorded a gain on the sale of \$108.0 million included in other revenue in operations.

Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

New Accounting Standards

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. The ASU improves financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations and is effective for fiscal years beginning after December 15, 2022. TJU adopted this standard in 2024 and noted there is no material impact to the consolidated financial statements.

2. BUSINESS COMBINATIONS

On August 1, 2024 Jefferson Health Corporation became the sole corporate member of Lehigh Valley Health Network (LVHN). LVHN is the parent company of an integrated healthcare system in eastern Pennsylvania with a mission to heal, comfort, and care for the people in the communities it serves, including Lehigh, Northampton, Schuylkill, Carbon, Monroe, Luzerne, and Lackawanna Counties in Pennsylvania. TJU acquired all of the assets and liabilities of LVHN and transferred no consideration. The TJU board was reconstituted to include members designated by LVHN. The acquisition of LVHN is intended to improve the access and quality of the care provided to the communities served by both organizations, to enhance the educational and research missions of TJU and LVHN and to promote the expansion of the JHP programs into the Lehigh Valley region.

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3. REGULATORY REQUIREMENTS FOR JHP

Commonwealth of Pennsylvania Insurance Law provides that dividends and other distributions may be paid only to the extent of statutory surplus in excess of \$1.5 million as reported in the most recent financial statements filed with the Pennsylvania Insurance Department (PID) and may be paid only out of positive net worth. In addition, legislation requires PID approval of any dividend or other distribution exceeding the greater of (i) 10% of net worth (as of December 31) or (ii) net income for the prior year. The National Association of Insurance Commissioners (NAIC) also requires that insurance companies, including health maintenance organizations, file annually a risk-based capital report to measure the financial health of the entity. DHS also requires HealthChoices contractors to be subject to minimum levels of statutory equity. DHS requires contractors' statutory equity to exceed the highest amounts determined by the following:

- \$20 million
- 7% of revenue earned by the licensed HMO during the most recent four (4) calendar quarters; and
- 7% of revenue earned by the licensed HMO during the current quarter multiplied by three (3)

With the exception of payments for claims, HealthChoices contractors may not pay or transfer assets to a related party without the prior approval of DHS, if the contractor's statutory equity is less than the minimum stipulated in the HealthChoices contract. In addition to the statutory net worth requirement, the PID has adopted the NAIC Risk-Based Capital (RBC) requirements. RBC is a method of measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The managed care organization's RBC is calculated by applying factors to various asset, premium, and reserve items. The adequacy of a managed care organization's actual capital can then be measured by a comparison to its RBC as determined by the formula. When an organization's net worth falls below 200% of RBC, which is known as the Company Action Level, a company must file a Comprehensive Action Plan with the applicable state regulators describing its plans to increase its net worth above the 200% threshold.

JHP's statutory net worth has exceeded the NAIC Company Action Level calculated for its RBC requirements as of December 31, 2023 and 2022. JHP's recorded capital and surplus under statutory accounting principles was \$310.7 million and \$258.4 million as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022 JHP's RBC percentage filed with PID was 408% and 381%, respectively.

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4. NET ASSETS

Net assets consisted of the following at June 30, 2024 and 2023 (in thousands):

Detail of net assets	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating	\$2,067,607	\$281,915	\$2,349,522	\$2,008,281	\$251,603	\$2,259,884
Capital gifts	-	53,721	53,721	-	96,114	96,114
Student loan funds	27,978	27,848	55,826	26,262	25,925	52,187
Endowment funds	2,160,762	751,796	2,912,558	1,941,531	724,458	2,665,989
Assets held by affiliated foundations	-	53,560	53,560	-	44,781	44,781
Deferred giving	-	17,015	17,015	-	13,634	13,634
Total	\$4,256,347	\$1,185,855	\$5,442,202	\$3,976,074	\$1,156,515	\$5,132,589

5. ASSETS WHOSE USE IS LIMITED

Assets whose use is limited presented in the consolidated balance sheets at June 30, 2024 and 2023 consist of the following (in thousands):

	2024	2023
Held by trustee under indenture agreement	\$9,266	\$154,937
Women's Board, Medical Staff and other funds	1,700	3,049
Restricted for capital purposes	16,356	53,915
Total	\$27,322	\$211,901
Less current portion	(812)	(1,915)
Noncurrent portion	\$26,510	\$209,986

6. INVESTMENTS

Investments are presented in the consolidated balance sheets under the following classifications (in thousands):

	2024	2023
Short-term investments	\$655,137	\$860,162
Assets whose use is limited, current	812	1,915
Long-term investments	3,242,347	2,954,704
Assets whose use is limited, noncurrent	26,510	209,986
	\$3,924,806	\$4,026,767

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A summary of investments at June 30, 2024 and 2023 is as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Cash equivalents	\$53,233	\$226,699
Equity securities	36,209	40,160
Fixed income securities	174,518	191,599
Funds:		
Global equity	1,510,253	1,385,111
Fixed income	870,931	1,017,868
Real estate	146,429	123,201
Other mutual funds	12,388	11,643
Private equity	638,477	581,288
Real estate	928	2,263
Hedge funds	98,596	100,321
External trusts	194,465	178,652
Investments subject to equity method and other	188,379	167,962
	<u>\$3,924,806</u>	<u>\$4,026,767</u>

Most private investment funds (private equity, real asset funds) are structured as closed-end, commitment-based investment funds where TJU commits a specified amount of capital upon inception of the fund (i.e., committed capital) which is then drawn down over a specified period of the fund's life. Such funds generally do not provide redemption options for investors and, subsequent to final closing, do not permit subscriptions by new or existing investors. Accordingly, TJU generally holds interests in such funds for which there is no active market, although in some situations, a transaction may occur in the "secondary market" where an investor purchases a limited partner's existing interest and remaining commitment. The fund managers may value the underlying private investment based on an appraised value, discounted cash flow, industry comparable or some other method. TJU values these limited partnerships at NAV.

Unlike private investment funds, hedge funds are generally open-ended funds as they typically offer subscription and redemption options to investors. The frequency of such subscriptions or redemptions is dictated by such fund's governing documents. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to the investors). The fund managers invest in a variety of securities which may not be quoted in an active market. Illiquid investments may be valued based on appraised value, discounted cash flow, industry comparable or some other method.

The methods described above may produce a fair value calculation that may not be indicative of a net realized value or reflective of future fair values. Furthermore, while TJU believes its

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valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

TJU's direct investments in equity and fixed income securities are considered liquid assets because they are traded on established markets with enough participants to absorb sale transactions without materially impacting the current price of the asset. The underlying assets in TJU's investments in equity and fixed income funds are traded on established markets with enough participants to absorb sale transactions without materially impacting the current price. The funds are priced daily and provide next day availability on all transaction requests. TJU's investment in real asset funds provides monthly liquidity on transaction requests.

Private equity investments have limited liquidity or redemption options. Liquidity for private investments can be accomplished via a secondary sale transaction. When available, distributions typically take place on a quarterly basis. TJU has made commitments to various private equity and real asset limited partnerships. The total amount of unfunded commitments is \$751.5 million and \$774.8 million at June 30, 2024 and 2023, respectively. TJU expects these funds to be called over the next 3 to 5 years (in thousands):

	<u>2024</u>	<u>2023</u>
Private equity	\$751,368	\$774,701
Real estate	<u>86</u>	<u>81</u>
	<u>\$751,454</u>	<u>\$774,782</u>

Hedge funds provide quarterly liquidity with 60 to 90 days' notice prior to the quarter's end limiting TJU's ability to respond quickly to changes in market conditions. Liquidity of individual hedge funds vary based on various factors and may include "gates", "holdbacks" and "side pockets" imposed by the manager of the hedge fund, as well as redemption fees which may also apply. Depending on the redemption options available, it may be possible that the reported NAV represents fair value based on observable data such as ongoing redemption and/or subscription activity. In the cases of a holdback, TJU considers the significance of the holdback, its impact on the overall valuation and the associated risk that the holdback amount will not be fully realized based on a prior history of adjustments to the initially reported NAV.

For those private equity, real estate limited partnerships, or hedge-fund of fund transactions where valuations dated on the last business day of the calendar year are available, the valuations will be based on the most recent capital account statement (monthly/quarterly), adjusted for interim cash flow activity (contributions, distributions, fees).

Beneficial interests in perpetual trusts, which are administered by independent trustees, are mainly comprised of domestic and international equity securities and domestic fixed income securities.

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TJU accounts for investments in the following entities under the equity method: Five Pointe Professional Liability Insurance Company (“Five Pointe”) (50% owned joint venture insurance entity); Mountain Laurel Risk Retention Group, Inc. (“MLRRG”) (50% owned joint venture insurance entity); MLJH, LLC (50% owned joint venture); Fresenius Medical Care Voorhees, LLC (“FMCV”) (30% owned joint venture); and JeffHome PA-NJ (“JeffHome”) (49% owned joint venture). A summary of investments subject to the equity method and other investments is as follows at June 30, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Equity method:		
Five Pointe	\$77,172	\$66,313
MLRRG	6,924	5,117
MLJH, LLC	31,282	31,368
FMCV, LLC	17,382	16,675
JeffHome, LLC	26,471	28,258
Other equity method investments	14,428	7,142
Other	<u>14,720</u>	<u>13,089</u>
	<u><u>\$188,379</u></u>	<u><u>\$167,962</u></u>

A summary of investments held under split-interest agreements is as follows at June 30, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Charitable gift annuities	\$15,246	\$14,115
Pooled income funds	597	590
Charitable remainder trusts	<u>9,313</u>	<u>8,753</u>
	<u><u>\$25,156</u></u>	<u><u>\$23,458</u></u>

Investment income, realized gains (losses) and unrealized gains (losses) included in the consolidated statements of operations and changes in net assets without donor restrictions are comprised of the following in 2024 and 2023 (in thousands):

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	2024	2023
Investment income included in operating income (losses):		
Interest and dividends	\$43,911	\$32,437
Endowment payout	150,122	134,910
Other equity method investments	5,394	(3,448)
	<u>\$199,427</u>	<u>\$163,899</u>
Investment income included in nonoperating income (losses):		
Net realized and unrealized gains (losses)	247,633	239,486
Interest and dividends	3,460	2,251
Endowment payout	(150,122)	(134,910)
	<u>100,971</u>	<u>106,827</u>
Total	<u><u>\$300,398</u></u>	<u><u>\$270,726</u></u>

7. ENDOWMENT FUNDS

TJU's endowments consist of approximately 1,300 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with each of these groups of funds are classified and reported based upon the existence or absence of donor-imposed restrictions. The University reports all endowment investments at fair value. Cash equivalents in endowments are treated as investments.

At June 30, 2024, the endowment net asset composition by type of fund consisted of the following (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted funds	-	\$751,796	\$751,796
Quasi-endowment funds	\$2,160,762	-	2,160,762
Total funds	<u>\$2,160,762</u>	<u>\$751,796</u>	<u>\$2,912,558</u>

Changes in endowment net assets for the fiscal year ended June 30, 2024, consisted of the following (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$1,941,530	\$724,458	\$2,665,988
Investment returns	201,374	49,724	251,098
Contributions	1,333	12,608	13,941
Appropriation of assets for expenditure	(150,122)	(32,332)	(182,454)
Transfers of University resources and other	166,647	(2,662)	163,985
Endowment net assets, end of year	<u>\$2,160,762</u>	<u>\$751,796</u>	<u>\$2,912,558</u>

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At June 30, 2023, the endowment net asset composition by type of fund consisted of the following (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted funds	-	\$724,458	\$724,458
Quasi-endowment funds	\$1,941,530	-	1,941,530
Total funds	<u>\$1,941,530</u>	<u>\$724,458</u>	<u>\$2,665,988</u>

Changes in endowment net assets for the fiscal year ended June 30, 2023, consisted of the following (in thousands):

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$1,810,803	\$676,754	\$2,487,557
Investment returns	168,449	48,310	216,759
Contributions	(4)	18,604	18,600
Appropriation of assets for expenditure	(134,910)	(27,647)	(162,557)
Transfers of University resources and other	97,192	8,437	105,629
Endowment net assets, end of year	<u>\$1,941,530</u>	<u>\$724,458</u>	<u>\$2,665,988</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires TJU to retain as a fund of perpetual duration. Shortfalls of this nature are classified as a reduction of donor-restricted net assets. These shortfalls resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions to endowment and continued appropriation for certain programs that was deemed prudent by TJU. The historical value of these funds were \$38.5 million and \$59.1 million as of June 30, 2024 and 2023, respectively. The current value of these funds are \$36.3 million and \$55.4 million as of June 30, 2024 and 2023, respectively.

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8. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

TJU's financial assets available within one year of the balance sheet date for general expenditure are as follows (in thousands):

	2024	2023
Financial assets:		
Cash and cash equivalents	\$562,202	\$743,046
Accounts receivable	1,161,036	873,006
Insurance premium receivable	181,479	193,220
Pledge payments available for operations	22,040	14,768
Short-term investments	585,856	767,926
Subsequent year's endowment payout	206,374	182,375
Total financial assets available within one year	<u>2,718,987</u>	<u>2,774,341</u>
Liquidity resources:		
Bank lines of credit	763,300	763,200
Total financial assets and liquidity resources available within one year	<u>\$3,482,287</u>	<u>3,537,541</u>

TJU's endowment funds consist of donor-restricted and quasi-endowment funds. Income from donor-restricted endowment funds is restricted for specific purposes and therefore, is not available for general expenditures. Although TJU does not intend to spend from its quasi-endowment funds in excess of the endowment payout amount calculated pursuant to its spendable income policy described in Note 1, additional amounts from its quasi-endowment could be made available with Board approval.

As part of TJU's liquidity management, it has a practice to structure its financial assets in a manner to be available to satisfy general expenditures and other obligations as they come due. To manage unanticipated liquidity needs, TJU had available unsecured lines of credit from various banks of \$763.3 million and \$763.2 million at June 30, 2024 and 2023, respectively, under which there was no borrowing at June 30, 2024 and \$0.1 million at June 30, 2023.

9. FAIR VALUE MEASUREMENT

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that TJU has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are not currently observable.

Inputs are used in applying the various valuations techniques and broadly refer to the assumption that market participants use to make valuation decisions. An investments level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to TJU’s perceived risk of that instrument.

Level 1 - Investments, whose values are based on quoted market prices in active markets, are therefore classified within Level 1. Typically, securities traded on the NYSE, AMEX, NASDAQ and other major exchanges will be classified as Level 1. These assets include active listed equities, certain U.S. government obligations, mutual funds and certain money market securities. For investments regularly traded on any recognized securities or commodities exchange, the closing price on such exchange (or, if applicable, as reported on the consolidated transactions reporting system) on the last trading date at the end of the fiscal year is used. In the case of securities regularly traded in the over-the-counter market, the closing bid quotations for long positions and the closing asked quotation for short positions on the trading date ending on or preceding the end of the fiscal year is used.

Level 1 - Liquidity – Daily based on quoted market value at time of transaction or at daily NAV.

Level 2 - Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. They include investments in common trust equity and fixed income funds, corporate grade bonds, high yield bonds and certain mortgage products. There were no transfers between Levels 1 and 2 during 2024 and 2023.

Level 2 - Liquidity – Daily based on quoted market value at time of transaction or at daily NAV.

Level 3 - Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently or not at all. Level 3 instruments include externally held trust funds.

Level 3 - Liquidity – No liquidity available as the assets are mainly comprised of donor restricted externally held trust funds of which TJU has a perpetual interest in the annual income stream.

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The following table presents the short term and long-term investments, and assets whose use is limited carried on the consolidated balance sheets by level within the valuation hierarchy or NAV as of June 30, 2024 and 2023 (in thousands):

	Level 1	Level 2	Level 3	NAV	2024
Cash and cash equivalents	\$53,233	-	-	-	\$53,233
Equity securities	20,963	\$15,246	-	-	36,209
Fixed income securities	1,287	154,538	-	\$18,693	174,518
Funds:					
Global equity	34,214	-	-	1,476,039	1,510,253
Fixed income	-	19	-	870,912	870,931
Real asset	-	4,056	-	142,373	146,429
Other mutual funds	12,388	-	-	-	12,388
Private equity	-	-	-	638,477	638,477
Real estate	-	-	-	928	928
Hedge funds	-	-	-	98,596	98,596
External trusts	-	-	\$194,465	-	194,465
Total	<u>\$122,085</u>	<u>\$173,859</u>	<u>\$194,465</u>	<u>\$3,246,018</u>	<u>\$3,736,427</u>
	Level 1	Level 2	Level 3	NAV	2023
Cash and cash equivalents	\$226,699	-	-	-	\$226,699
Equity securities	26,045	\$14,115	-	-	40,160
Fixed income securities	1,102	173,754	-	\$16,743	191,599
Funds:					
Global equity	30,623	-	-	1,354,488	1,385,111
Fixed income	-	19	-	1,017,849	1,017,868
Real asset	-	4,331	-	118,870	123,201
Other mutual funds	11,643	-	-	-	11,643
Private equity	-	-	-	581,288	581,288
Real estate	-	-	-	2,263	2,263
Hedge funds	-	-	-	100,321	100,321
External trusts	-	-	\$178,652	-	178,652
Total	<u>\$296,112</u>	<u>\$192,219</u>	<u>\$178,652</u>	<u>\$3,191,822</u>	<u>\$3,858,805</u>

Investments not subject to fair value leveling or fair value at NAV at June 30, 2024 and 2023 totaled \$188.4 million and \$168.0 million, respectively.

The fair value of TJU's interest rate swaps related to its debt obligations are based on third-party valuations independent of the counterparties. As the fair values of interest rate swaps are determined based on inputs that are readily available or can be derived from information available in public markets, TJU has categorized interest rate swaps as Level 2.

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The following table presents the other liabilities carried on the consolidated balance sheets by level within the valuation hierarchy as of June 30, 2024 and 2023 (in thousands):

	Level 1	Level 2	Level 3	NAV	2024
Interest rate hedges	-	\$9,202	-	-	\$9,202
	Level 1	Level 2	Level 3	NAV	2023
Interest rate hedges	-	\$11,987	-	-	\$11,987

The following tables include a roll-forward of the amounts for the year ended June 30, 2024 and 2023 (in thousands) for external trust investments classified within Level 3.

	2024	2023
Beginning balance	\$178,652	\$170,202
Unrealized gains/(loss), net	15,813	8,450
Ending balance	\$194,465	\$178,652

10. PLEDGES RECEIVABLE

A summary of pledges receivable is as follows at June 30, 2024 and 2023, respectively (in thousands):

	2024	2023
Unconditional promises expected to be collected in:		
Less than one year	\$44,988	\$41,266
One year to five years	115,635	79,741
Over five years	1,090	67,435
	161,713	188,443
Less: unamortized discount and allowance for doubtful accounts	(35,304)	(35,914)
	\$126,409	\$152,528

The discount rate ranges from 0.66% to 5.6%. TJU's largest pledge comprises 39% and 33% of the pledge receivable at June 30, 2024 and 2023, respectively.

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11. LAND, BUILDINGS AND EQUIPMENT

A summary of land, buildings and equipment is as follows at June 30, 2024 and 2023, respectively (in thousands):

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$233,585	\$246,729
Buildings and building improvements	4,518,887	3,866,422
Equipment	2,695,153	2,886,814
Leasehold improvements	189,064	179,061
Construction in progress	196,954	775,279
Less: accumulated depreciation	<u>(3,560,336)</u>	<u>(3,766,170)</u>
Total land, buildings and equipment, net	<u><u>\$4,273,307</u></u>	<u><u>\$4,188,135</u></u>

TJU uses straight-line depreciation over the assets' estimated lives, which are as follows:

Land improvements	5-40 years
Buildings and building improvements	5-70 years
Equipment	3-40 years
Leasehold improvements	3-25 years

In 2024, TJU recorded disposals of obsolete building improvement and equipment assets with an original cost of \$364.7 million and net book value of \$0.

Depreciation expense is \$293.8 million and \$347.9 million at June 30, 2024 and 2023, respectively.

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12. MEDICAL CLAIMS PAYABLE

The following table shows the components of the change in medical costs payable for the year ended June 30, 2024 and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
Medical costs payable June 30, 2023 and 2022	\$183,363	\$122,670
Claims occurring in:		
Current year	1,868,808	1,787,902
Prior years	<u>3,918</u>	<u>1,287</u>
Net incurred benefit expenses	<u>1,872,726</u>	<u>1,789,189</u>
Claim payments:		
Current year	(1,746,681)	(1,506,286)
Prior years	<u>(121,572)</u>	<u>(222,210)</u>
Net payments	<u>(1,868,252)</u>	<u>(1,728,496)</u>
Medical costs payable June 30, 2024 and 2023	<u><u>\$187,837</u></u>	<u><u>\$183,363</u></u>

The positive/(negative) amount noted as “prior year” claims in 2024 and 2023 is (unfavorable)/favorable development for claim estimates being settled for amounts less than originally anticipated. This (unfavorable)/ favorable development from original estimates occur due to changes in medical utilization, the mix of provider rates, other components of medical cost trends, and claim payment patterns.

The net incurred medical expense amount for 2024 and 2023 reported above excludes approximately \$80.3 million and \$164.4 million that primarily represents amounts due to contracted risk hospitals.

JHP's estimate of the IBNR liabilities is primarily based on trend and completion factors. Claim frequency is not used in the calculation of its liability.

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13. LONG-TERM OBLIGATIONS

A summary of long-term obligations is as follows at June 30, 2024 and 2023, respectively (in thousands):

	Final Maturity	Interest Rate at June 30, 2024	2024	2023
Revenue bonds:				
Fixed rate obligations:				
2015 Series A Revenue Bonds	2051	3.00% - 5.25%	301,805	\$301,805
Unamortized premium and issue costs			15,802	16,705
2017 Series A Revenue Bonds	2048	3.00% - 5.00%	257,270	257,270
Unamortized premium and issue costs			9,311	9,980
2018 Series A Revenue Bonds	2050	4.00% - 5.00%	330,580	341,480
Unamortized premium and issue costs			14,940	17,005
2018 Series B Revenue Bonds	2030	3.28% - 3.88%	29,600	31,470
Unamortized issue costs			(82)	(112)
2019 Series A Revenue Bonds	2052	4.00% - 5.00%	440,345	445,595
Unamortized premium and issue costs			25,453	28,764
2022 Series A Revenue Bonds	2057	1.725% - 3.847%	588,255	590,155
Unamortized issue costs			(4,668)	(4,827)
2022 Series B Revenue Bonds	2057	3.25% - 5.00%	670,750	672,750
Unamortized premium and issue costs			70,510	73,867
Total fixed rate obligations			2,749,871	2,781,907
Variable rate obligations:				
2015 Series B Revenue Bonds	2046	4.17%	60,000	60,000
Unamortized issue costs			(400)	(420)
2015 Series C Revenue Bonds	2042	4.74%	31,070	31,955
Unamortized issue costs			(75)	(83)
2015 Series D Revenue Bonds	2042	4.74%	30,840	31,725
Unamortized issue costs			(75)	(83)
2015 Series E Revenue Bonds	2042	4.82%	31,065	31,955
Unamortized issue costs			(75)	(83)
2015 Series F Revenue Bonds	2042	4.82%	30,840	31,725
Unamortized issue costs			(75)	(83)
2015 Series G Revenue Bonds	2042	4.74%	18,530	19,060
Unamortized issue costs			(45)	(50)
2015 Series H Revenue Bonds	2042	6.32%	25,690	26,425
Unamortized issue costs			(66)	(72)
2017 Series B Revenue Bonds	2051	4.17%	50,565	50,565
Unamortized issue costs			(433)	(450)
2017 Series C Revenue Bonds	2051	4.74%	50,000	50,000
Unamortized issue costs			(242)	(252)
2018 Series D Revenue Bonds	2051	4.74%	49,950	49,950
Unamortized issue costs			(355)	(369)
2024 Series A Revenue Bonds	2025	4.42%	315,055	-
Unamortized issue costs			(805)	-
Total variable rate obligations			690,959	381,415
Total Revenue bonds			3,440,830	3,163,322
Line of credit			-	70
Finance lease obligations	2037	1.24% - 5.50%	20,228	37,361
Other			13,982	314,963
Total long-term debt obligations			3,475,040	3,515,716

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Other long-term obligations of \$314.9 million at June 30, 2023 included an accrual of \$307.1 million related to a development agreement with an unrelated party for the construction costs of the core and shell of an ambulatory care facility on land leased by TJU. Construction of the facility was completed in 2024 and TJU exercised its option to purchase the facility with the proceeds of the Series 2024A Revenue Bonds in May 2024.

TJU is a party to the Amended and Restated Master Trust Indenture (the “MTI”), dated as of February 1, 2022, by and among TJU, each other Member of the Obligated Group (as described below) and Master Trustee. The MTI provides for the issuance from time to time of obligations.

To secure its payment obligations under the MTI, each Member of the Obligated Group has granted to the Master Trustee for the equal and ratable benefit of the holders of all obligations issued and outstanding under the MTI (other than subordinated obligations) a first lien on and security interest in the gross revenues of each Member of the Obligated Group on a joint and several basis.

The Members of the Obligated Group consist of the following: JHC, TJU, Thomas Jefferson University Hospitals, Inc., JUP, Abington Memorial Hospital, Abington Health Foundation, Lansdale Hospital, Jefferson Health-Northeast, Philadelphia University, Kennedy Health Facilities, Inc., Kennedy University Hospital, Inc., Kennedy Medical Group Practice, PC, Magee Rehabilitation Hospital, Albert Einstein Medical Center, Einstein Community Health Associates, Inc., Einstein Medical Center Montgomery, Einstein Practice Plan, Inc., Fornance Physician Services, Montgomery Hospital, and Montgomery Health Foundation.

TJU and each other Member of the Obligated Group have agreed to comply with certain financial and operational covenants contained in the MTI, certain continuing covenant agreements (the “CCAs”) associated with several series of bonds as well as a standby letter of credit agreement (the SBLOC”) and a revolving credit agreement (the “Revolver”, and collectively with the CCAs and the SBLOC, the “Credit Agreements”). TJU was in compliance with the financial covenants in the MTI and Credit Agreements at June 30, 2024.

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Maturities for long-term debt are as follows (in thousands):

	Revenue Bonds and Other	Finance Lease Obligations	Total
2025	346,832	7,909	354,740
2026	41,807	5,887	47,694
2027	36,208	3,556	39,764
2028	39,521	1,788	41,309
2029	42,952	576	43,528
Thereafter	2,818,871	513	2,819,384

14. DERIVATIVE FINANCIAL INSTRUMENTS

TJU entered into derivative transactions for the purpose of reducing the impact of fluctuations in interest rates and hedging interest rate risk. The fair value of these derivative instruments at June 30, 2024 and 2023 in the consolidated balance sheets is as follows (in thousands):

Expiration Date	TJU Receives	TJU Pays	Notional Amount at June 30, 2024	Notional Amount at June 30, 2023	Balance Sheet Location	Fair Value at June 30, 2024 (asset)/liability	Fair Value at June 30, 2023 (asset)/liability
Expiration 2/1/34	67% of United States Dollar LIBOR (one Month)	2.98%	\$53,595	\$57,180	Noncurrent Liability	(\$857)	(\$732)
Expiration 9/1/45	67% of United States Dollar LIBOR (one Month)	3.925%	\$44,673	\$38,643	Noncurrent Liability	\$9,340	\$11,272
Expiration 5/1/27	68% of United States Dollar LIBOR (one Month)	3.98%	\$27,425	\$20,600	Noncurrent Liability	\$223	\$403
Expiration 5/1/27	68% of United States Dollar LIBOR (Five Year minus 0.293%)	68% of United States Dollar LIBOR (one Month)	\$15,750	\$35,825	Noncurrent Liability	\$309	\$654
Expiration 5/1/27	68% of United States Dollar LIBOR (Five Year minus 0.325%)	68% of United States Dollar LIBOR (one Month)	\$15,750	\$20,600	Noncurrent Liability	\$187	\$391

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The daily compounded Secured Overnight Financing Rate (SOFR) ranged from 5.050% to 5.400% (average rate of 5.297%) in 2024. The SOFR with a five-year maturity ranged from 3.788% to 4.996% (average rate of 4.371%) in 2024. Non-operating gains of \$2.5 million and \$4.9 million at June 30, 2024 and 2023, respectively, are included in the consolidated statements of operations and changes in net assets without donor restrictions for interest rate swap contracts (in thousands).

	<u>2024</u>	<u>2023</u>
Change in valuation of interest rate hedges	\$2,784	\$6,224
Net settlement payments with counterparties	<u>(334)</u>	<u>(1,301)</u>
Nonoperating gain (loss) on interest rate hedges	<u>\$2,450</u>	<u>\$4,923</u>

Accumulated losses on interest rate hedges of \$9.2 million and \$12.0 million at June 30, 2024 and 2023, respectively, are reflected in the consolidated balance sheets.

15. LEASE COMMITMENTS

TJU has operating lease obligations primarily for ambulatory facilities, office space and land expiring through 2099. The components of lease expense was as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Amount of rent expense related to amortization of right-of-use assets	\$59,839	\$58,442
Short-term and variable lease costs	<u>43,407</u>	<u>44,762</u>
Rent expense	<u>\$103,246</u>	<u>\$103,204</u>
Weighted average remaining lease term (years)	11.6	11.7
Weighted average discount rate	2.96%	2.64%

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A summary of future minimum commitments under operating leases, at June 30, 2024, is as follows (in thousands):

2025	60,419
2026	53,844
2027	46,435
2028	41,456
2029	39,916
Thereafter	164,191
Total minimum lease payments	406,261
Less imputed interest	(59,597)
Net present value of minimum lease payments	\$346,664
2024 fixed expense	\$59,839

16. EMPLOYEE BENEFIT PLANS

TJU has non-contributory defined benefit pension plans for certain full-time employees. The TJU plan is frozen new entrants, and the Einstein plan is not. Benefits under the non-contributory defined benefit plans are based on the employee's years of service and compensation during the years preceding retirement. Contributions to the plan are designed to meet the minimum funding requirements of the Employee Retirement Income Security Act of 1974.

The accounting guidance for defined benefit pension plans requires employers to recognize the overfunded or underfunded projected benefit obligation ("PBO") of a defined benefit pension plan as an asset or liability in the balance sheet. The PBO represents the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future salary increases. The accounting guidance also requires employers to recognize annual changes in gains or losses, prior service costs, or other credits that have not been recognized as a component of net periodic pension cost through net assets without donor restriction. The calculation of service cost and PBO utilizes a split discount rate approach, where separate discount rates are calculated for determining each based on their respective expected cash flows.

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The components of the net pension plan financial position on the consolidated balance sheets are as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Change in projected benefit obligation:		
Benefit obligation, beginning of year	\$2,471,820	\$2,574,572
Service cost	38,989	45,009
Interest cost	123,682	112,680
Net experience gain	(91,684)	(100,418)
Settlement	(140,085)	-
Benefits paid	<u>(109,142)</u>	<u>(160,023)</u>
Projected benefit obligation, end of year	2,293,580	2,471,820
Change in plan assets:		
Fair value of plan assets, beginning of year	2,227,927	2,173,461
Actual return of plan assets	158,218	163,845
Settlement	(136,014)	-
Employer contributions	52,400	50,644
Benefit payments	<u>(109,142)</u>	<u>(160,023)</u>
Fair value of plan assets, end of year	2,193,389	2,227,927
Plan funded status	<u><u>(\$100,191)</u></u>	<u><u>(\$243,893)</u></u>

Amounts recognized in net assets without donor restriction consist of (in thousands):

	<u>2024</u>	<u>2023</u>
Net actuarial loss	(\$31,919)	\$81,650
Net unrecognized prior service costs	<u>(5,921)</u>	<u>(7,216)</u>
	<u><u>(\$37,840)</u></u>	<u><u>\$74,434</u></u>

The accumulated benefit obligation at June 30, 2024 and 2023 was as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Accumulated benefit obligation	<u><u>\$2,202,397</u></u>	<u><u>\$2,346,668</u></u>

Thomas Jefferson University
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The components of net periodic benefit cost for the plans for the years ended June 30, 2024 and 2023 were as follows (in thousands):

	<u>2024</u>	<u>2023</u>
Service cost	\$38,989	\$45,009
Interest cost	123,682	112,680
Expected return on plan assets	(145,273)	(127,810)
Amortization of actuarial loss	-	7,903
Amortization of prior service credit	<u>(1,295)</u>	<u>(1,295)</u>
Net periodic benefit cost	16,103	36,487
Settlement	<u>4,869</u>	<u>-</u>
Total	20,972	36,487
Other changes in plan assets and benefit obligations recognized in net assets without donor restriction:		
Net actuarial gain	(108,701)	(136,452)
Amortization of net actuarial loss	(4,869)	(7,903)
Amortization of prior service credit	<u>1,295</u>	<u>1,295</u>
Total recognized in net assets without donor restriction	(112,275)	(143,060)
Total recognized in net periodic benefit cost and net assets without donor restriction	<u><u>(\$91,303)</u></u>	<u><u>(\$106,573)</u></u>

In the consolidated statements of operations and changes in net assets, service cost is reported as employee benefits expense while the remaining components of net periodic benefit cost are reported as a decrease in pension liability. There will be no estimated actuarial loss that will be amortized in net assets without donor restriction during the upcoming fiscal year.

The weighted average assumptions used to estimate the June 30 pension obligation were as follows:

	<u>2024</u>	<u>2023</u>
Discount rate	5.49%	5.18%
Rate of compensation increase	1.50% to 4.50%	1.50% to 4.50%
Expected return on plan assets	6.75%	6.74%

Thomas Jefferson University
Notes to Consolidated Financial Statements
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The weighted average assumptions used to determine net periodic benefit costs were as follows:

	<u>2024</u>	<u>2023</u>
Discount rate - service cost	5.23%	4.93%
Discount rate - interest cost	5.16%	4.50%
Rate of compensation increase	1.50% to 4.50%	1.50% to 4.75%
Expected return on plan assets	6.74%	6.09%

A summary of the plans' targeted and actual asset allocations are as follows:

	<u>Targeted Range</u>	<u>Percentage of Plan Assets June 30, 2024</u>	<u>Percentage of Plan Assets June 30, 2023</u>
Cash	0-5%	10%	2%
Bonds	20-30%	32%	32%
Global equity	45-65%	50%	56%
Real estate and other	10-20%	8%	10%
		<u>100%</u>	<u>100%</u>

The portfolios utilize a long-term asset allocation strategy that allows management to rebalance the asset allocation back to target levels monthly. Short-term compliance with the target ranges can be impacted by the severity of market conditions. The expected long-term rate of return for the plan's assets are based on the historical return of each of the above categories, weighed based on the target allocations for each class. The assets of the defined benefit pension plan are invested in a manner that is intended to preserve the purchasing power of the plan's assets and provide payments to beneficiaries. Thus, a rate of return objective of inflation plus 5% is targeted.

TJU expects to contribute approximately \$43.0 million during fiscal year 2025.

Projected benefit payments are as follows (in thousands):

2025	\$131,357
2026	131,700
2027	140,078
2028	147,191
2029	153,522
Thereafter	828,947
	<u>\$1,532,795</u>

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The following table presents the fair value of plan assets by level within the valuation hierarchy, as discussed in Note 8, as of June 30, 2024 and 2023 (in thousands):

	Level 1	Level 2	Level 3	NAV	2024
Cash and cash equivalents	\$4,533	\$217,477	\$0	\$0	\$222,010
Equity securities	13	-	-	-	13
Fixed income securities	-	27	-	-	27
Global equity	-	-	-	1,097,933	1,097,933
Fixed income	-	-	-	708,490	708,490
Real assets	-	-	-	62,872	62,872
Other mutual funds	-	-	-	-	-
Private equity	-	-	-	101,422	101,422
Hedge funds	-	-	-	622	622
Total	<u>\$4,546</u>	<u>\$217,504</u>	<u>-</u>	<u>1,971,339</u>	<u>\$2,193,389</u>

	Level 1	Level 2	Level 3	NAV	2023
Cash and cash equivalents	\$5,286	\$45,890	\$0	\$0	\$51,176
Equity securities	(355)	-	-	-	(355)
Fixed income securities	-	1	-	-	1
Global equity	-	-	-	1,242,361	1,242,361
Fixed income	-	-	-	708,863	708,863
Real assets	-	-	-	116,071	116,071
Other mutual funds	-	-	-	-	-
Private equity	-	-	-	83,769	83,769
Hedge funds	-	-	-	26,041	26,041
Total	<u>\$4,931</u>	<u>\$45,891</u>	<u>\$0</u>	<u>2,177,105</u>	<u>\$2,227,927</u>

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Retirement benefits are also provided to certain employees through direct payments to various funds. Employees not subject to TJU's defined benefit plans may be eligible to participate in defined contribution arrangements approved by TJU or its subsidiaries. TJU's share of the cost of these benefits was \$144.5 million and \$137.2 million for the year ended June 30, 2024 and 2023, respectively.

Participation in Multiemployer Defined Benefit Pension Plan

TJU is a participating employer in The Pension Fund for Hospital and Health Care Employees – Philadelphia and Vicinity (the Pension Fund), a jointly-trusted multiemployer defined benefit pension plan. The Pension Fund is operated for the benefit of Chapter 1199C of the American Federation of State, County and Municipal Employees (the Union). Information about the Pension Fund and TJU's participation is summarized as follows.

The employer identification number for the Pension Fund is 23-2627428. At the date the consolidated financial statements were issued Form 5500 was not available for the plan year ending in 2022. TJU's contribution to the Pension Fund was \$7.5 million and \$7.3 million for the years ended June 30, 2024 and 2023. The contributions represent approximately 32.0% and 18.0% of the contributions to the Pension Fund, respectively. A five-year collective bargaining agreement was approved by the Union effective July 1, 2022 and extends through June 30, 2027. TJU contributions as a percentage of covered payroll to the Pension Fund for the year ending June 30, 2024 will be 21.6 %.

The Pension Fund was determined to be in critical and declining status (also referred to as red and declining zone status) under the Pension Protection Act of 2006 for the plan years beginning January 1, 2024 and 2023. Accordingly, the Pension Fund is subject to a funding improvement plan. The zone status is based on information that TJU received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone status are generally less than 65% funded.

At January 1, 2023, the most recent date for which such information is available the projected benefit obligation exceeded plan assets of the Pension Fund by \$311.6 million.

17. PROFESSIONAL LIABILITY CLAIMS

TJU maintains professional liability insurance under both self-insured and alternative risk financing insurance programs to fund their potential professional and general liability claims. For all self-insured programs TJU accrues estimated retained risk liability arising from both asserted and unasserted claims. The estimate of liability is based upon an analysis of historical claims data as prepared by independent actuaries.

MLRRG and Cassatt RRG ("CRRG") provide primary layer professional liability coverage for certain TJU entities for claims made through June 30, 2024. Effective July 1, 2024 MLRRG will provide primary layer coverage for all TJU entities on a claims made basis. CRRG will administer and manage the run-off of claims that have been made against certain TJU entities

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(Abington, Lansdale and JHNE) that had been insured by CRRG as of June 30, 2024. MLRRG is a licensed captive insurance company qualified as a risk retention group domiciled in Vermont. TJU is a 50% owner of MLRRG. The remaining ownership interest is held by another regional healthcare system. MLRRG is reinsured by a non-profit 501(c) (3) segregated protected cell insurance company, Five Pointe, domiciled in Delaware. Five Pointe reinsures 100% of the professional liability risks insured by MLRRG pursuant to a reinsurance agreement between Five Pointe and MLRRG that limits MLRRG's recourse for payment of any reinsured claims against TJU to the assets in the TJU protected cell.

CRRG is a licensed captive insurance company qualified as a risk retention group domiciled in Vermont. CRRG is owned and governed by various regional non-profit hospitals including a 25% voting interest by Abington and a 25% voting interest by JHNES. CRRG is reinsured by Cassatt Insurance Company Ltd. ("CICL"). CICL is owned by the same various regional non-profit hospitals and is incorporated as an insurance company under the laws of Bermuda.

Pennsylvania's Medical Care Availability and Reduction of Error Fund (the "MCARE Fund") provides limits excess of the primary layer of coverage. The annual assessments for MCARE Fund coverage are based on the schedule of occurrence rates approved by the Insurance Commissioner of Pennsylvania for the Pennsylvania Professional Liability Joint Underwriting Association multiplied by an annual assessment percentage. This assessment is recognized as an expense in the period incurred. No provision has been made for future MCARE Fund assessments as the unfunded portion of the MCARE Fund liability cannot be reasonably estimated.

For losses in excess of the primary and MCARE layers of coverage TJU accrues for potential liabilities for self-insured amounts. Additionally, TJU maintains claims-made excess catastrophic professional liability insurance coverage through Five Pointe and CICL. For excess layer coverage purchased through CICL, coverage limits are shared with the various regional non-profit hospital owners of CRRG and CICL. Five Pointe and CICL purchase reinsurance with commercial carriers rated at least "A-" by AM Best.

For MLRRG the premiums charged for the primary professional layer of coverage are determined by an independent actuary, based on loss and loss adjustment expense experience and other factors, at a 65% confidence level and a 3% discount rate for 2024 and 2023 and include a charge for premium tax and operating expenses.

For CRRG and CICL the premiums charged for the primary professional layer of coverage are determined by an independent actuary, based on loss and loss adjustment expense experience and other factors, at an expected confidence interval and a 3.5% discount rate for 2024 and 2023.

TJU has accrued professional liability claims of \$874.0 million and \$886.6 million at June 30, 2024 and 2023, respectively, of which \$221.0 million and \$223.3 million were current. TJU records accrued professional liability claims for self-insured exposures at an expected confidence interval and a 3.0% to 3.5% discount rate.

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TJU records anticipated malpractice insurance recoveries and associated accrued professional liability claims at an expected level using discount rate from 3.0% to 3.5%. Anticipated malpractice insurance recoveries for June 30, 2024 and 2023 is \$445.3 million and \$443.0 million, respectively.

18. WORKERS' COMPENSATION CLAIMS

TJU is self-insured for its workers' compensation exposures. TJU accrues for its workers' compensation liability based upon actuarial estimates using a discount rate of 3%. Accrued workers' compensation liabilities were \$41.1 million and \$44.0 million at June 30, 2024 and 2023, respectively. These amounts are presented in the accompanying consolidated balance sheets.

19. COMMITMENTS AND CONTINGENCIES

Letters of Credit

TJU had open letters of credit aggregating \$7.5 million and \$10.5 million at June 30, 2024 and 2023, respectively, primarily related to self-insurance arrangements for workers' compensation. The letters of credit expire between September 27, 2024 and February 20, 2026.

Litigation

TJU is involved in litigation and regulatory investigations arising in the ordinary course of business. In the opinion of management, all such matters are adequately covered by commercial insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the consolidated financial position or results of operations of TJU.

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Notes to Consolidated Financial Statements
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20. FUNCTIONAL CLASSIFICATION

Expenses for the years ended June 30, 2024 and 2023 are categorized on a functional basis as follows (in thousands):

	2024				
	Education and Research	Clinical Operations	Insurance	General, Administrative, Operations and Maintenance	Total
Salaries and wages	\$286,316	\$3,170,918	\$90,695	\$374,735	\$3,922,664
Employee benefits	75,673	648,689	22,793	126,479	873,634
Insurance services medical expenses	-	-	1,664,816	-	1,664,816
Supplies	24,659	1,426,004	-	-	1,450,663
Purchased services	42,042	395,740	70,171	217,915	725,868
Depreciation and amortization	34,790	248,846	17,245	3,308	304,189
Interest	12,154	97,690	1,070	5,095	116,009
Insurance	2,059	190,942	1,303	-	194,304
Utilities	9,570	59,178	1,239	339	70,326
Other expenses	78,868	193,388	6,311	397,274	675,841
Total operating expense	566,131	6,431,395	1,875,643	1,125,145	9,998,314
Non-service net periodic benefit cost	(1,561)	(13,378)	(470)	(2,608)	(18,017)
Total	<u>\$564,570</u>	<u>\$6,418,017</u>	<u>\$1,875,173</u>	<u>\$1,122,537</u>	<u>\$9,980,297</u>

	2023				
	Education and Research	Clinical Operations	Insurance	General, Administrative, Operations and Maintenance	Total
Salaries and wages	\$281,710	\$3,015,329	\$88,427	\$365,686	\$3,751,152
Employee benefits	69,623	711,636	19,686	83,584	884,529
Insurance services medical expenses	-	-	1,593,742	-	1,593,742
Supplies	24,986	1,322,886	-	9,564	1,357,436
Purchased services	45,456	501,153	56,441	252,897	855,947
Depreciation and amortization	36,848	303,300	16,947	1,472	358,567
Interest	14,345	94,335	891	6,835	116,406
Insurance	1,868	156,948	1,398	35	160,249
Utilities	8,692	55,693	1,384	4,740	70,509
Other expenses	43,739	170,527	5,871	410,360	630,497
Total operating expense	527,267	6,331,807	1,784,787	1,135,173	9,779,034
Non-service net periodic benefit cost	(671)	(6,856)	(190)	(805)	(8,522)
Total	<u>\$526,596</u>	<u>\$6,324,951</u>	<u>\$1,784,597</u>	<u>\$1,134,368</u>	<u>\$9,770,512</u>

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Notes to Consolidated Financial Statements
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21. NONCONTROLLING INTEREST

TJU has a controlling interest in certain joint ventures in healthcare related organizations; Riverview, a 51% owned joint venture; JURA, an 80% owned joint venture and ROSH, a 54% owned joint venture and JSMS, a 60% owned joint venture. The amount not owned by TJU is shown as a non-controlling interest. The following table presents the changes in consolidated net assets without donor restriction attributable to the controlling financial interest of TJU and the non-controlling interest (in thousands):

	Controlling Interest	Non-controlling Interest	Consolidated Total
Balance, June 30, 2022	\$3,753,482	\$12,958	\$3,766,440
Income from Operations	(85,855)	7,308	(78,547)
Distributions to NCI	-	(6,000)	(6,000)
Other changes, net	265,795	28,386	294,181
Balance, June 30, 2023	\$3,933,422	\$42,652	\$3,976,074
Income from Operations	(7,550)	8,892	1,342
Distributions to NCI	-	(5,974)	(5,974)
Other changes, net	284,008	897	284,905
Balance, June 30, 2024	\$4,209,880	\$46,467	\$4,256,347

22. GOVERNMENT SUPPORT

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020 to provide economic relief to individuals and organizations from the effects of COVID-19. The CARES Act included the following key provisions impacting TJU:

Provider Relief Fund - provided general funding to providers that participated in the Medicare and Medicaid programs and targeted funding to providers in areas particularly impacted by the COVID-19 outbreak and hospitals that treated a high volume of COVID-19 admissions.

Higher Education Emergency Relief Fund – provided funding to higher education institutions for certain costs incurred or amounts refunded to students related to cessation of housing and dining services due to COVID-19.

Employee Retention Credit - provided funding to eligible employers in the form of a refundable tax credit on qualifying wages paid to employees during a period of government shut-down due to the COVID-19 pandemic.

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Disaster Relief Fund - provided additional funding to the Federal Emergency Management Agency (FEMA) and Pennsylvania Emergency Management Agency (PEMA) to support medical providers for the costs of treating COVID-19 patients.

The following table summarizes the amounts recognized as revenue from government support for COVID-19 in the accompanying consolidated statements of operations and changes in net assets without donor restrictions for June 30, 2024 and 2023 (in thousands):

	2024	2023
Provider Relief Fund	\$11,918	\$16,000
Higher Education Emergency Relief	-	658
Employee Retention Credit	3,250	-
Disaster Relief (FEMA/PEMA)	25,583	31,926
Total	<u>\$40,751</u>	<u>\$48,584</u>

Revenue recognition of government support for COVID-19 was based upon substantially satisfying all terms and conditions related to the applicable awards. Significant terms and conditions included that payments will only be reimbursement for health care or educational related expenses or lost revenue attributable to COVID-19 and limitations on billing patients for deductibles and coinsurance.

TJU recognized revenue related to the CARES Act provider relief funding based on information contained in laws and regulations, as well as interpretations issued by the Department of Health and Human Services (HHS), governing the funding that was publicly available at June 30, 2024. HHS has made multiple changes to its guidance during the COVID-19 pandemic. The potential financial impacts of future changes in guidance may impact TJU's ability to retain some or all of the distributions received.

Accrued receivables of \$9.0 million and \$16.3 million are included in the accompanying consolidated balance sheets for the years ended June 30, 2024 and 2023 related to the Employee Retention Credit.

Additionally, the CARES act included a provision for deferring payment of the employer portion of social security taxes that would be otherwise due between March 27, 2020 and December 31, 2020. The law permitted payment of these taxes to be extended to December 31, 2021 for 50% of the amount due and December 31, 2022 for the remaining 50%. At June 30, 2023, TJU had no remaining liability for these taxes.

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Also, the Centers for Medicare & Medicaid Services (CMS) established the CMS Accelerated and Advance Payment (CMSAAP) program to increase the cash flow to Medicare providers impacted by COVID-19. The following table presents the CMSAAP liability included in the advances line item in the accompanying consolidated balance sheets (in thousands):

Balance, June 30, 2022	\$129,764
Repayments	<u>(129,694)</u>
Balance, June 30, 2023	\$70
Repayments	<u>(70)</u>
Balance, June 30, 2024	<u><u>\$0</u></u>



Report of Independent Auditors

To the Board of Trustees of Thomas Jefferson University

We have audited the consolidated financial statements of Thomas Jefferson University and its subsidiaries (the "University") as of and for the years ended June 30, 2024 and 2023 and have issued our report thereon dated October 10, 2024, which included an unmodified opinion on those consolidated financial statements. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The Consolidating Balance Sheet and Consolidating Statement of Operations and Changes in Net Assets Without Donor Restriction as of and for the year ended June 30, 2024 (the "supplemental information") is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information is not intended to present, and we do not express an opinion on, the financial position, the results of its operations and cash flows of the individual companies. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

A handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP".

October 10, 2024

Thomas Jefferson University
Unaudited Consolidating Balance Sheets
June 30, 2024
(In Thousands)

	TJU	TJUH	Abington	JHNE	Kennedy	Magee	Einstein	JHP	Adjustments & Eliminations	Consolidated
Assets										
Current assets:										
Cash and cash equivalents	(\$23,013)	\$45,514	\$142,420	\$72,029	\$30,774	\$8,322	(\$35,118)	\$321,274	-	\$562,202
Short-term investments	73,392	90,116	240,658	83,461	40,067	26,337	96,136	4,970	-	655,137
Accounts receivable	90,603	474,196	122,880	102,384	112,758	17,844	223,697	-	\$16,674	1,161,036
Insurance premium receivable	-	-	-	-	-	-	-	181,479	-	181,479
Inventory	19,204	74,126	13,537	15,182	19,420	274	24,557	-	-	166,300
Pledges receivable	25,593	13,219	714	49	82	-	5,331	-	-	44,988
Insurance recoverable	1,118	49,991	18,753	19,893	12,567	1,709	37,004	372	-	141,407
Assets whose use is limited, current	-	590	193	-	-	-	29	-	-	812
Other current assets	62,515	12,127	2,558	1,499	1,419	170	7,366	23,464	-	111,118
Total current assets	<u>249,412</u>	<u>759,879</u>	<u>541,713</u>	<u>294,497</u>	<u>217,087</u>	<u>54,656</u>	<u>359,002</u>	<u>531,559</u>	<u>16,674</u>	<u>3,024,479</u>
Long-term investments	850,563	541,912	1,018,240	430,746	224,435	70,360	429,195	136,007	(459,111)	3,242,347
Assets whose use is limited, noncurrent	14,365	2,285	8,998	818	44	-	-	-	-	26,510
Assets held by affiliated foundations	-	12,419	-	-	-	41,141	0	-	-	53,560
Pledges receivable	54,077	25,392	886	8	170	-	888	-	-	81,421
Goodwill, net	29,771	336	-	1,500	-	-	-	214,502	-	246,109
Insurance recoverable	2,125	113,070	40,098	56,789	27,296	3,143	79,133	-	-	321,654
Loans receivable from students, net	19,163	-	-	-	-	-	-	-	-	19,163
Land, buildings and equipment, net	1,469,231	611,489	439,908	292,333	729,527	68,415	649,675	12,729	-	4,273,307
Right-of-use assets	111,288	93,470	18,473	7,814	9,662	2,739	67,472	26,721	-	337,639
Other noncurrent assets	37,813	9,611	-	1,149	4,608	4,340	47,250	102,719	-	207,490
Total assets	<u>\$2,837,808</u>	<u>\$2,169,863</u>	<u>\$2,068,316</u>	<u>\$1,085,654</u>	<u>\$1,212,829</u>	<u>\$244,794</u>	<u>\$1,632,615</u>	<u>\$1,024,237</u>	<u>(\$442,437)</u>	<u>\$11,833,679</u>
Liabilities and Net Assets										
Current liabilities:										
Current portion of:										
Long-term obligations	\$353,401	\$5,415	\$1,450	\$850	\$923	\$96	\$1,287	-	-	\$363,422
Accrued professional liability claims	-	105,805	18,624	18,897	12,801	1,701	63,176	-	-	221,004
Accrued workers' compensation claims	6,131	-	1,744	3,071	2,277	274	3,180	-	-	16,677
Deferred revenues	49,081	(7,719)	(7,029)	(3,546)	(1,447)	-	(9,442)	-	\$41,063	60,961
Operating lease obligations	-	2,054	-	-	-	-	-	\$4,353	43,366	49,773
Accounts payable and accrued expenses	297,194	151,007	38,785	36,892	35,981	2,481	70,824	44,723	(6,895)	670,992
Medical costs payable	-	-	-	-	-	-	-	212,226	(24,389)	187,837
DHS insurance program payable	-	-	-	-	-	-	-	57,297	-	57,297
Accrued payroll and related costs	98,974	138,981	52,186	39,244	43,069	4,445	57,410	17,578	-	451,887
Total current liabilities	<u>804,781</u>	<u>395,543</u>	<u>105,760</u>	<u>95,408</u>	<u>93,604</u>	<u>8,997</u>	<u>186,435</u>	<u>336,177</u>	<u>53,145</u>	<u>2,079,850</u>
Long-term obligations	698,449	589,523	354,781	417,698	556,921	38,908	447,593	20,252	(12,507)	3,111,618
Accrued pension liability	4,300	-	1,546	1,260	71	(9,659)	102,673	-	-	100,191
Federal student loan advances	4,455	-	-	-	-	-	-	-	-	4,455
Accrued professional liability claims	168	312,783	52,463	77,950	38,457	4,754	166,443	-	-	653,018
Accrued workers' compensation claims	6,189	0	3,477	5,183	4,693	244	4,629	-	-	24,415
Interest rate hedges	9,203	-	-	-	-	-	-	-	-	9,203
Operating lease obligations	89,975	112,851	19,645	8,086	9,976	2,825	73,686	23,213	(43,366)	296,891
Other noncurrent liabilities	32,672	5,199	8,397	0	757	3,322	57,413	8,256	(4,180)	111,836
Total liabilities	<u>1,650,192</u>	<u>1,415,899</u>	<u>546,069</u>	<u>605,585</u>	<u>704,479</u>	<u>49,391</u>	<u>1,038,872</u>	<u>387,898</u>	<u>(6,908)</u>	<u>6,391,477</u>
Net assets:										
Net assets without donor restriction	504,670	634,927	1,342,279	475,449	502,740	125,179	424,242	635,923	(435,529)	4,209,880
Noncontrolling interest in joint ventures	30,391	16,076	-	-	-	-	-	-	-	46,467
Net assets with donor restriction	652,555	102,961	179,968	4,620	5,610	70,224	169,501	416	-	1,185,855
Total net assets	<u>1,187,616</u>	<u>753,964</u>	<u>1,522,247</u>	<u>480,069</u>	<u>508,350</u>	<u>195,403</u>	<u>593,743</u>	<u>636,339</u>	<u>(435,529)</u>	<u>5,442,202</u>
Total liabilities and net assets	<u>\$2,837,808</u>	<u>\$2,169,863</u>	<u>\$2,068,316</u>	<u>\$1,085,654</u>	<u>\$1,212,829</u>	<u>\$244,794</u>	<u>\$1,632,615</u>	<u>\$1,024,237</u>	<u>(\$442,437)</u>	<u>\$11,833,679</u>

Thomas Jefferson University
Unaudited Consolidating Statements of Operations and Net Assets Without Donor Restrictions
For the Year Ended June 30, 2024
(In Thousands)

	<u>TJU</u>	<u>TJUH</u>	<u>Abington</u>	<u>JHNE</u>	<u>Kennedy</u>	<u>Magee</u>	<u>Einstein</u>	<u>JHP</u>	<u>Adjustments & Eliminations</u>	<u>Consolidated</u>
Operating revenues, gains and other support:										
Net patient service revenue	-	\$2,651,385	\$952,857	\$752,042	\$840,192	\$66,674	\$1,328,701	-	(\$207,485)	\$6,384,366
Insurance premium revenue	-	-	-	-	-	-	-	\$2,163,755	-	2,163,755
Grants and contracts	\$139,873	189	1,170	1,037	5,245	23	19,354	-	-	166,891
Clinical component support	95,888	3,611	-	-	-	-	-	-	(99,499)	-
Tuition and fees, net	225,976	282	(141)	-	-	-	1,795	-	-	227,912
Investment income	33,553	28,449	62,787	42,314	18,406	3,111	74,962	23,945	(88,100)	199,427
Contributions	2,494	57	-	-	6	3,760	177	-	-	6,494
Other revenue	85,911	533,796	20,704	26,983	37,906	1,896	87,691	-	(59,108)	735,779
Government support for COVID-19	-	16,542	4,586	3,992	7,544	205	7,882	-	-	40,751
Net assets released from restrictions	51,156	6,676	6,742	662	747	-	8,289	9	-	74,281
Total operating revenues, gains and other support	<u>634,851</u>	<u>3,240,987</u>	<u>1,048,705</u>	<u>827,030</u>	<u>910,046</u>	<u>75,669</u>	<u>1,528,851</u>	<u>2,187,709</u>	<u>(454,192)</u>	<u>9,999,656</u>
Operating expenses:										
Salaries and wages	649,398	1,211,131	454,774	356,265	362,985	42,443	754,973	90,695	-	3,922,664
Employee benefits	199,829	240,127	104,874	76,867	73,941	11,651	143,552	22,793	-	873,634
Insurance services medical expenses	-	-	-	-	-	-	-	1,956,327	(291,511)	1,664,816
Supplies	24,056	768,774	147,196	122,639	151,621	3,571	232,806	-	-	1,450,663
Clinical and academic support	3,605	95,890	-	-	-	-	-	-	(99,495)	-
Purchased services	258,445	109,652	54,936	33,685	60,765	4,394	134,064	70,171	(244)	725,868
Depreciation and amortization	38,098	88,332	45,938	21,531	38,972	3,397	50,676	17,245	-	304,189
Interest	17,249	27,245	14,138	16,685	20,045	1,544	18,033	1,070	-	116,009
Insurance	1,047	92,981	9,758	21,766	11,549	609	55,291	1,303	-	194,304
Utilities	9,899	19,664	10,315	6,494	11,667	362	10,686	1,239	-	70,326
Other	(521,041)	576,116	180,478	137,357	128,096	10,986	211,309	6,311	(53,771)	675,841
Total operating expenses	<u>680,585</u>	<u>3,229,912</u>	<u>1,022,407</u>	<u>793,289</u>	<u>859,641</u>	<u>78,957</u>	<u>1,611,390</u>	<u>2,167,154</u>	<u>(445,021)</u>	<u>9,998,314</u>
(Loss) Income from operations	<u>(45,734)</u>	<u>11,075</u>	<u>26,298</u>	<u>33,741</u>	<u>50,405</u>	<u>(3,288)</u>	<u>(82,539)</u>	<u>20,555</u>	<u>(9,171)</u>	<u>1,342</u>
Nonoperating items and other changes in net assets without donor restriction, net:										
Return on investments, net of amounts classified as operating revenue	13,495	13,272	40,238	8,079	8,908	2,858	9,481	4,640	-	100,971
Interest rate hedges	2,450	-	-	-	-	-	-	-	-	2,450
Reclassification of net assets	(417)	-	(3,231)	(307)	(866)	(294)	4,745	(53)	-	(423)
Net assets released from restrictions used for purchase of property and equipment	50,091	-	1,334	117	46	-	28	-	-	51,616
Decrease in pension liability	37,243	-	44,677	8,993	7,994	-	31,384	-	-	130,291
Distributions to noncontrolling interest	(1,250)	(4,724)	-	-	-	-	-	-	-	(5,974)
Equity Transfers	(150)	(1,510)	(1,439)	(570)	(931)	-	-	4,600	-	-
Increase in nonoperating items and other changes in net assets without donor restriction	<u>101,462</u>	<u>7,038</u>	<u>81,579</u>	<u>16,312</u>	<u>15,151</u>	<u>2,564</u>	<u>45,638</u>	<u>9,187</u>	<u>-</u>	<u>278,931</u>
Increase (Decrease) in net assets without donor restriction	<u>\$55,728</u>	<u>\$18,113</u>	<u>\$107,877</u>	<u>\$50,053</u>	<u>\$65,556</u>	<u>(\$724)</u>	<u>(\$36,901)</u>	<u>\$29,742</u>	<u>(\$9,171)</u>	<u>\$280,273</u>

Thomas Jefferson University
Notes to Consolidating Financial Information
June 30, 2024

1. The supplemental consolidating financial information of Thomas Jefferson University includes the Consolidating Balance Sheet as of June 30, 2023 and Consolidating Statement of Operations and Net Assets without Donor Restrictions, for the year ended June 30, 2023. It has been prepared in a manner consistent with generally accepted accounting principles and is presented only for the purpose of additional analysis and not as a presentation of financial position and results of operations of each component of the consolidated group. The supplemental combining financial information was derived from the accounting records used to prepare the consolidated financial statements. All material consolidating entries and intracompany/intercompany eliminations have been properly recorded. This accompanying note is an integral part of the accompanying supplemental combining financial information.
2. The columns in the consolidating schedules are defined as follows:
 - TJU includes the accounts of subsidiaries of Thomas Jefferson University including Philadelphia University, TJU Inc.; 1100 Walnut Associates; Walnut Realty Company; 925 Walnut Holding LLC; 925 Walnut Corporation; Bildex Corporation; JeffCare Alliance; Jefferson Horizons Research LLC; Jefferson Partners Holding, LLC; JSMS; and Jefferson Italy.
 - TJUH includes the accounts of subsidiaries of Thomas Jefferson University Hospitals, Inc.; JURA; Riverview; Jefferson Ambulatory Surgery Services, LLC; Jefferson Ambulatory Surgery Real Estate Holdings, LLC; ROSH; the Atrium Corporation; Healthmark, Inc.; Jeffex Inc.; Emergency Transport Associates, Inc.; Walnut Home Therapeutics, Inc.; Mid-Atlantic Maternal Fetal Institute, Inc.; Jefferson University Physicians; Jefferson University Physicians of New Jersey; Jefferson University Physicians of New Jersey – Kidney Transplant Specialists, PC; Methodist Associates in Healthcare, Inc. (d/b/a Jefferson Community Physicians); Methodist Associates in Healthcare of New Jersey, PC (d/b/a Jefferson Community Physicians of New Jersey); Jefferson Medical Care; Jefferson Health New Jersey Direct Primary Care, PC; Jefferson Acute Care Physicians, PC; Health Services LLC; and JeffCare Inc.
 - Abington includes the accounts of subsidiaries Abington Memorial Hospital; Lansdale Hospital Corporation; and Abington Health Foundation.
 - JHNE includes the accounts of subsidiaries of Jefferson Health Northeast; Jefferson Health – Northeast Foundation; System Service Corporation; T.F. Development, Inc.; TMB Enterprises; Juniata Medical Building Partners; Health Care, Inc.; Aria Health Orthopaedics; and Aria Physician Services.

- JHNJ includes the accounts of subsidiaries of Kennedy University Hospital, Inc.; Kennedy Health Care Foundation, Inc.; Kennedy Property Corporation; Kennedy Management Group; Kennedy Health Facilities, Inc.; Kennedy Medical Group Practice, P.C.; and Jefferson Health NJ Direct Primary Care P.C.
- Magee includes the accounts of subsidiaries of Magee Rehabilitation Hospital.
- Einstein includes the accounts of subsidiaries of Albert Einstein Medical Center; Einstein Practice Plan, Inc.; Einstein Community Health Associates; Einstein Medical Center Montgomery; Montgomery Hospital Medical Center; Fornance Physician Services; Montgomery Health Foundation; BCCT Over Corp; Einstein Healthcare Systems, Inc.; Einstein Care Partners, LLC; Rehab Ventures, Inc.; and CMMC, Inc.
- JHP includes the accounts of subsidiaries of Jefferson Health Partners; Partners Insurance Company, Inc.; Partners Insurance Company of New Jersey, Inc.; SelectScripts, LLC; Health Partners Solutions, LLC; and Health Partners Foundation.

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APPENDIX B-2

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**LEHIGH VALLEY HEALTH NETWORK
AND SUBSIDIARIES**

**Consolidating Financial Statements and Other Supplemental Information
As of and for the Years Ended June 30, 2024 and 2023
With Independent Auditors' Report**

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KPMG LLP
Suite 4000
1735 Market Street
Philadelphia, PA 19103-7501

Independent Auditors' Report

The Board of Trustees
Lehigh Valley Health Network:

Opinion

We have audited the consolidated financial statements of Lehigh Valley Health Network and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Philadelphia, Pennsylvania
October 8, 2024

Lehigh Valley Health Network and Subsidiaries
Consolidated Statements of Financial Position
As of June 30, 2024 and 2023
(In Thousands)

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets:		
Cash and cash equivalents	\$219,966	\$158,195
Patient accounts receivable	510,204	470,293
Other accounts receivable	127,311	71,883
Other current assets	<u>185,315</u>	<u>185,256</u>
Total current assets	<u>1,042,796</u>	<u>885,627</u>
Assets whose use is limited or restricted	1,959,497	1,834,727
Property and equipment, net	1,792,804	1,856,373
Right of use asset - leases	276,445	199,683
Partnership investments	24,614	21,673
Pension	57,922	69,782
Goodwill and intangible assets, net	188,173	187,411
Other noncurrent assets	<u>98,606</u>	<u>91,865</u>
Total assets	<u>\$5,440,857</u>	<u>\$5,147,141</u>
<u>Liabilities and net assets</u>		
Current liabilities:		
Pension	\$19,962	\$18,027
Current portion of long-term debt	105,134	26,408
Current lease obligations	40,662	37,303
Other current liabilities	<u>528,115</u>	<u>419,149</u>
Total current liabilities	<u>693,873</u>	<u>500,887</u>
Long-term debt, net of current portion	1,203,592	1,352,717
Long-term lease obligations	390,907	321,602
Deferred compensation and other liabilities	186,150	161,769
Pension	1,587	1,654
Professional liability	166,057	154,132
Derivative instruments	1,565	2,239
Other liabilities	<u>28,332</u>	<u>21,797</u>
Total liabilities	<u>2,672,063</u>	<u>2,516,797</u>
Net assets:		
Without donor restrictions:		
Lehigh Valley Health Network and Subsidiaries	2,332,908	2,227,728
Noncontrolling interests in subsidiaries	<u>41,637</u>	<u>43,901</u>
Total net assets without donor restrictions	2,374,545	2,271,629
With donor restrictions	<u>394,249</u>	<u>358,715</u>
Total net assets	<u>2,768,794</u>	<u>2,630,344</u>
Total liabilities and net assets	<u>\$5,440,857</u>	<u>\$5,147,141</u>

See accompanying notes to consolidated financial statements

Consolidated Statements of Operations
For the Years Ended June 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
<u>Patient services and supporting operations</u>		
Revenues		
Net patient service revenue	\$4,313,273	\$3,916,727
Other supporting operations revenue	153,235	186,928
Net assets released from restrictions used for operations	<u>19,610</u>	<u>25,425</u>
Total revenues	<u>4,486,118</u>	<u>4,129,080</u>
Expenses		
Salaries and wages	2,098,147	1,907,608
Benefits	282,083	253,062
Supplies	890,043	820,490
Purchased services	551,690	588,986
Other	369,839	297,791
Depreciation and amortization	174,156	176,396
Interest expense	62,181	54,701
Bad debt	<u>9,056</u>	<u>10,364</u>
Total expenses before integration and other non-recurring costs	<u>4,437,195</u>	<u>4,109,398</u>
Operating income before integration and other non-recurring costs	<u>48,923</u>	<u>19,682</u>
Integration and other non-recurring costs	<u>32,443</u>	<u>9,302</u>
Operating income	<u>16,480</u>	<u>10,380</u>
<u>Other nonoperating gains and losses</u>		
Realized and unrealized investment gains	159,844	80,049
Change in net unrealized gains (losses) on swaps	674	(2,239)
Other nonoperating gains	5,683	5,245
Loss on refinancing of debt	<u>0</u>	<u>(74)</u>
Other nonoperating gains and losses, net	<u>166,201</u>	<u>82,981</u>
Excess of revenues and gains over expenses and losses before income taxes	<u>182,681</u>	<u>93,361</u>
Provision for income taxes	<u>(2,112)</u>	<u>1,443</u>
Excess of revenues and gains over expenses and losses before noncontrolling interests	<u>180,569</u>	<u>94,804</u>
Noncontrolling interests	<u>(29,243)</u>	<u>(20,934)</u>
Excess of revenues and gains over expenses and losses attributed to Lehigh Valley Health Network and Subsidiaries	<u>151,326</u>	<u>73,870</u>
<u>Other changes in net assets without donor restrictions</u>		
Net assets released from restrictions - capital acquisitions	4,180	11,514
Gain on JV dissolution	1,480	0
Contribution of long-lived assets	0	1,356
Adjustment to funded status of pension plans	(20,526)	54,446
Change in noncontrolling interests	(2,264)	633
Change in net unrealized (losses) on derivatives	0	(276)
Change in net unrealized (losses) on investments	<u>(31,280)</u>	<u>(6,914)</u>
Increase in net assets without donor restrictions	<u>\$102,916</u>	<u>\$134,629</u>

See accompanying notes to consolidated financial statements

Lehigh Valley Health Network and Subsidiaries
Consolidated Statements of Changes in Net Assets
For the Years Ended June 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
<u>Net assets without donor restrictions</u>		
Excess of revenues and gains over expenses and losses attributed to		
Lehigh Valley Health Network and Subsidiaries	\$151,326	\$73,870
Net assets released from restrictions - capital acquisitions	4,180	11,514
Gain on jv dissolution	1,480	0
Contribution of long-lived assets	0	1,356
Adjustment to funded status of pension plans	(20,526)	54,446
Change in noncontrolling interests	(2,264)	633
Change in net unrealized (losses) on derivatives	0	(276)
Change in net unrealized (losses) on investments	<u>(31,280)</u>	<u>(6,914)</u>
Increase in net assets without donor restrictions	<u>102,916</u>	<u>134,629</u>
<u>Net assets with donor restrictions</u>		
Contributions	24,361	8,080
Reclassification (to) net assets without donor restrictions	0	(51)
Realized and unrealized investment gains	33,913	25,665
Increase in beneficial interest in perpetual trusts	1,050	833
Net assets released from restrictions	<u>(23,790)</u>	<u>(38,295)</u>
Increase (decrease) in net assets with donor restrictions	<u>35,534</u>	<u>(3,768)</u>
Increase in net assets	138,450	130,861
Net assets, beginning of year	<u>2,630,344</u>	<u>2,499,483</u>
Net assets, end of period	<u><u>\$2,768,794</u></u>	<u><u>\$2,630,344</u></u>

See accompanying notes to consolidated financial statements

Lehigh Valley Health Network and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023
(In Thousands)

	<u>2024</u>	<u>2023</u>
<u>Cash flows from operating activities:</u>		
Increase in net assets	\$138,450	\$130,861
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	174,156	176,396
(Gain) on disposal of property and equipment	(59,498)	(1,734)
Amortization of debt issuance costs and premiums and discounts	(2,113)	(2,116)
Loss on refinancing of debt	0	74
Net realized and unrealized (gains) on investments	(159,719)	(97,551)
Restricted contributions	(13,023)	3,596
Adjustment to funded status of pension plans	20,526	(54,446)
Net periodic pension cost	(5,521)	(5,172)
Change in net unrealized (gains) losses on swaps	(674)	2,515
Distributions to noncontrolling interests	19,798	20,301
Distributions received from investments in joint ventures	10,219	9,930
Lease amortization	3,921	6,935
Changes in assets and liabilities:		
(Increase) in patient accounts receivable	(39,911)	(60,184)
(Increase) in prepaids, inventories and other current assets	(54,462)	(23,679)
(Increase) in goodwill, intangible assets and other noncurrent assets	(8,664)	(38,901)
Decrease for the interest earned but not received on assets whose use is limited or restricted	217	111
Increase in accounts payable	81,822	4,576
Increase (decrease) in other accrued expenses	6,595	(90,360)
Increase (decrease) in accrual for estimated third-party payer settlements	2,358	(3,007)
Increase (decrease) in accrued compensation	16,427	(18,623)
Contributions to pension plan	(1,277)	(28,142)
Increase in professional liability	19,132	26,571
Increase in deferred compensation and other liabilities	<u>30,916</u>	<u>17,960</u>
Net cash provided by (used in) operating activities	<u>179,675</u>	<u>(24,089)</u>
<u>Cash flows from investing activities:</u>		
Purchases of property and equipment	(203,194)	(270,343)
Sale of assets	140,615	0
Investment in joint ventures	(178)	(53)
Purchases of investments	(1,389,244)	(1,284,814)
Proceeds from sales of investments	1,432,200	1,426,045
Sale of businesses	<u>0</u>	<u>2,883</u>
Net cash (used in) investing activities	<u>(19,801)</u>	<u>(126,282)</u>
<u>Cash flows from financing activities:</u>		
Proceeds of long-term debt	6,291	140,555
Borrowings from line of credit	823,884	206,906
(Repayment) of line of credit	(872,000)	(157,110)
Payment of financing costs	0	(383)
Repayment of debt	(26,461)	(44,673)
Payments of capital leases and financing obligations	(4,640)	(4,039)
Distributions to noncontrolling interests	(19,692)	(20,539)
Proceeds from restricted contributions	<u>0</u>	<u>(1,648)</u>
Net cash (used in) provided by financing activities	<u>(92,618)</u>	<u>119,069</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	67,256	(31,302)
Cash, cash equivalents and restricted cash at beginning of year	<u>268,153</u>	<u>299,455</u>
Cash, cash equivalents and restricted cash at end of year	<u>\$335,409</u>	<u>\$268,153</u>
<u>Supplemental cash flow information:</u>		
Cash and cash equivalents	\$219,966	\$158,195
Restricted cash included in assets limited or restricted as to use	<u>115,443</u>	<u>109,958</u>
Total cash, cash equivalents and restricted cash	<u>\$335,409</u>	<u>\$268,153</u>
Cash paid for interest	\$65,012	\$56,748
Cash paid for income taxes	\$2,467	\$2,562
Non-cash restricted contributions	\$13,023	(\$3,596)
Amounts accrued for purchase of property and equipment in excess of amounts paid	(\$5,443)	(\$13,324)

See accompanying notes to consolidated financial statements

LEHIGH VALLEY HEALTH NETWORK AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024 AND 2023 (AMOUNTS IN THOUSANDS)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lehigh Valley Health Network, Inc. (“LVHN” or the “Organization”) is a not-for-profit 501(c)(3) corporation that controls related organizations in a health care delivery network providing a wide array of health care services and products to the Lehigh Valley, Hazleton, Schuylkill, Pocono, Scranton and surrounding communities in Pennsylvania. LVHN serves as the corporate parent and exercises control over all of LVHN’s consolidated entities subject to corporate legal or regulatory limitations. Substantially all of the consolidated revenues are generated from entities which are tax exempt pursuant to section 501(c)(3) of the Internal Revenue Code.

All significant intercompany balances and transactions have been eliminated.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (U.S. GAAP). The consolidated financial statements include all necessary adjustments for a fair presentation of the financial position and results of operations for the periods presented.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments purchased with an initial maturity of three months or less, excluding amounts included in assets whose use is limited or restricted. At June 30, 2024 and 2023, the Organization had cash balances at financial institutions that exceeded federal depository insurance limits. Management believes that credit risk related to these deposits is minimal.

Patient Accounts Receivable

Patient accounts receivable for which the Organization receives payment under cost reimbursements, prospective payment formulas, or negotiated rates, which cover the majority of patient services, are stated at the estimated net amounts receivable from payers, which are generally less than the established billing rates of the Organization.

Reserves for implicit price concessions are estimated based on the Organization’s belief that a patient has the ability to pay for services, but a portion of such payment is not expected to be received. Bad debt reserves are estimated based on the principle that payment will not be expected due to a decline in the patient’s ability to pay.

The reserves are based on management’s assessment of historical and expected collections, business economic conditions, trends in health care coverage, and other collection indicators. Accounts receivable are written off against the reserves when management determines that recovery is unlikely, and the Organization ceases collection efforts.

The uninsured policy incorporates a 50% discount on charges. The Organization does not maintain a reserve for bad debts for third-party payers, nor did it have significant write offs from third-party payers.

Inventories

Inventories are stated at the lower of cost or market, on a first-in first-out basis.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted includes (1) Assets limited by the Board of Trustees (the “Board”) for future purposes over which the Board retains control and may at its discretion subsequently use for capital improvements, (2) Assets limited by the Board for retained excess professional liability arrangements, (3) Assets limited under primary professional liability arrangements, (4) Assets limited by management internally designated for various purposes, (5) Assets limited under bond indenture, bond construction, debt service, and debt service reserve agreements – held by trustee, (6) Assets restricted by donors and grantors, and (7) Assets limited to fund deferred compensation and other liabilities.

Assets whose use is limited or restricted also includes Assets limited under bond indenture, bond construction and debt service funds related to the Organization’s outstanding tax-exempt bonds (see note 7). Bond construction funds are held by a trustee and are established to hold bond proceeds until the Organization has incurred capital expenditures in accordance with the allowable uses of issued bonds. The current portion of assets whose use is limited or restricted is recorded in Other current assets on the Consolidated Statements of Financial Position.

The Organization is required to remit funds to the respective trustee up to three business days in advance of its scheduled monthly and semi-annual (January 1 and July 1) debt service payment dates. This funding is reflected in the Other current assets in the Consolidated Statements of Financial Position.

All investments in equity securities with readily determinable fair values, and all investments in debt securities, are reported at fair value in the Consolidated Statements of Financial Position. The Organization also invests in a diversified program of alternative investment funds. These investments include limited partnerships, some utilizing a “fund of funds” approach resulting in diversified multi-strategy, multimanager investments. Certain investments include liquidation restrictions of at least 7 to 90 days’ notice prior to withdrawal. The Organization reports these investments at their net asset value, which approximates fair value.

Investment income or loss (including realized gains and losses on investments, unrealized gains and losses on equity securities and alternative investments, and interest and dividends) is reported as Realized and unrealized investment gains, in the Consolidated Statements of Operations, unless the income or loss is restricted by donor or law, in which case investment income or loss is recorded as a component of Net assets with donor restrictions in the Consolidated Statements of Financial Position. Unrealized gains and losses on debt securities investments are reported as increases or decreases in Net assets without donor restrictions, unless the income or loss is restricted by donor or law, in which case investment income or loss is recorded as a component of Net assets with donor restrictions in the Consolidated Statements of Financial Position.

Investments, in general, are exposed to various risks such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the value of investments will occur in the near term, and that such changes could materially affect the amounts reported in the consolidated financial statements.

The Organization is the beneficiary, in perpetuity, of income earned on certain perpetual irrevocable trusts, the funds of which are maintained and administered by independent trustees. These funds are recorded at the Organization’s share of the estimated fair value of the related trust assets and are included in Assets whose use is limited or restricted in the Consolidated Statements of Financial Position. The Organization’s share of income earned on these trusts is reported as either Net assets with donor restrictions or Net assets without donor restrictions, according to donor stipulations.

Unconditional pledges, less an allowance for uncollectible amounts, are recorded in Assets whose use is limited or restricted in the Consolidated Statements of Financial Position in the year the pledge is received. Pledges are reported at their present value as additions to net assets with donor restrictions.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment, Net

Property and equipment is stated at cost or, in the case of donated items, at its fair market value at the date of the gift. Depreciation is recorded over the estimated useful lives of assets, as indicated in the table below, using the straight-line method.

	Lives
Land improvements	2 - 50 years
Buildings and building equipment	5 - 80 years
Fixed, major movable equipment, and software	2 - 30 years

Assets under finance lease are amortized on the straight-line method over the lesser of the lease term or the estimated useful life of the assets. Leasehold improvements are amortized over the shorter of their useful lives or the term of the lease using the straight-line method. Amortization of assets under finance lease and leasehold improvements is included in Depreciation and amortization in the Consolidated Statements of Operations. Interest costs, net of related interest earnings, incurred on related funds acquired through the issuance of tax-exempt bonds are capitalized during the construction period of the capital assets, as a component of the cost of acquiring those assets. There is no capitalized interest for the periods ended June 30, 2024 and 2023. The cost of assets and the related accumulated depreciation are removed from the records upon retirement or other disposition and any gain or loss is included in Other supporting operations revenue in the Consolidated Statements of Operations.

During the year ended June 30, 2023, the Organization changed the estimated useful lives of its property and equipment, primarily impacting buildings and building equipment from 5-40 years to 5-50 years. The effect was a decrease in depreciation expense of approximately \$18,002.

Long-Lived Assets

The Organization assesses the recoverability of its long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability is based on the estimated fair value of the asset, measured using the estimated future cash flows expected to result from the use of the assets and their eventual disposal. None of the Organization's long-lived assets were considered to be impaired as of June 30, 2024 and 2023.

Partnership Investments

Partnership investments that are not consolidated, primarily representing joint venture investments, are accounted for under the equity method of accounting.

Goodwill and Intangible Assets

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination. Indefinite-lived intangible assets are assets that are not amortized because there is no foreseeable limit to cash flows generated from them. Definite-lived intangible assets are amortized in accordance with the authoritative guidance for intangible assets using the straight-line method over their estimated useful lives.

The Organization evaluates goodwill for impairment annually and whenever events or changes in circumstances indicate that the value of the asset may be impaired. Impairment testing consists of performing internal qualitative and/or quantitative assessments and considers other publicly available market information. If the carrying amount of the goodwill exceeds the estimated fair value, an impairment charge to current operations is recorded to reduce the carrying value to the estimated fair value. As of June 30, 2024 and 2023, there was no indication of impairment of goodwill.

Changes in carrying value of goodwill were as follows:

Balance at June 30, 2022	\$171,830
Goodwill additions	<u>3,427</u>
Balance at June 30, 2023	\$175,257
Goodwill additions	<u>1,697</u>
Balance at June 30, 2024	<u>\$176,954</u>

The Organization's indefinite-lived intangible assets primarily consist of trade names and totaled \$11,219 and \$12,154 as of June 30, 2024 and 2023, respectively.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Financing Costs

Deferred financing costs, principally legal fees, and bond issuance costs, are amortized over the period of financing under the straight-line method, which approximates the effective interest rate method. Gross deferred financing costs as of June 30, 2024 and 2023 were \$9,522 and \$9,522, respectively. Accumulated amortization of deferred financing costs was \$2,534 and \$2,194 as of June 30, 2024 and 2023, respectively. Deferred financing cost, net of accumulated amortization is recorded as a reduction of Long-term debt, net of current portion in the Consolidated Statement of Financial Position.

Accrual for Estimated Third-Party Payer Settlements

The Organization has agreements with third-party payers that provide for payments at amounts different than the Organization's established billing rates. Payment arrangements primarily include prospectively determined rates per discharge, per visit, per diem payments and, to a lesser extent, reimbursed costs, or discounted charges. Retroactive adjustments that are likely to result from future examinations by third-party payers are accrued on an estimated basis in the period the related services are rendered, and adjusted, as necessary, in future periods based upon new information or final settlements.

Professional Liability

The Organization uses a combination of commercial insurance and self-insurance arrangements to provide for medical malpractice costs. The self-insured arrangements include actuarially-determined estimates of the ultimate costs for both reported claims and claims incurred but not reported (IBNR), and include the primary layer provided through the Risk Retention Group ("RRG"), a consolidated self-insurance trust, and the self-insured excess layer. The Medical Care Availability and Reduction of Error (MCARE) layer provides coverage between the self-insured primary layer and the self-insured excess layer, and is provided by the Pennsylvania Insurance Department, which is funded through direct assessments. Commercial insurance is used to provide additional excess coverage beyond the self-insured excess layer.

Self-insured loss reserves are the Organization's best estimate of the ultimate net cost of settling losses on incurred claims. The estimates are reviewed and adjusted, as necessary, as experience develops, or new information becomes known. The Organization believes that the loss reserves are adequate; however, the ultimate settlement of losses may vary significantly from the amounts recorded in the accompanying consolidated financial statements.

Loss reserves are presented gross of any insurance recoveries and are undiscounted as of June 30, 2024 and 2023. The Professional liability as of June 30, 2024 and 2023, was \$201,121 and \$181,989, respectively, and is included in Other current liabilities and Professional liability on the Consolidated Statements of Financial Position. The insurance recoverable amount as of June 30, 2024 and 2023, was \$46,800 and \$36,700, respectively, which is included in Other accounts receivable and Other noncurrent assets on the Consolidated Statements of Financial Position.

The June 30, 2024 and 2023, consolidated financial statements include actuarially determined self-insured medical malpractice expenses of \$34,020 and \$31,830 respectively, and are reported as Other expense in the Consolidated Statements of Operations. Corresponding reserves are reported in Other current liabilities and in noncurrent liabilities as Professional liability in the Consolidated Statements of Financial Position. Commercial primary and excess insurance expense and MCARE assessments totaled \$11,642 and \$7,575 for the years ended June 30, 2024 and 2023, respectively, and were recorded in Other expense in the Consolidated Statements of Operations.

Asset Retirement Obligations

The Organization recognizes the fair value of a liability for legal obligations associated with conditional asset retirement obligations ("ARO's") in the period in which the liability is incurred. ARO's are accreted to their present value at the end of each reporting period. The associated estimated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over their useful life. ARO's are adjusted each year for any liabilities incurred or settled during the period, accretion expense, and any revisions made to the estimated cash flows. The Organization has identified ARO's related to the legally required remediation of asbestos existing within the Organization's facilities. While all hazardous materials within the Organization's facilities are currently contained and meet existing safety standards, the capitalized asset and liability recorded relate to the eventual remediation and removal that is legally required upon the ultimate repair, renovation, or demolition of facilities containing the hazardous materials. At June 30 2024 and 2023, the Organization has recorded \$4,850 and \$4,732, respectively, related to ARO's in Other liabilities in the Consolidated Statements of Financial Position.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets with donor restriction includes temporarily restricted net assets which are those whose use by the Organization has been limited, by donors and grantors, to a specific time period or purpose, and permanently restricted net assets which have been restricted, by donors, to be maintained by the Organization or outside trustees in perpetuity.

Noncontrolling Interests in Subsidiaries

The Consolidated Statements of Financial Position and the Consolidated Statements of Operations include noncontrolling interests that relate to the portion of subsidiaries that are not owned by the Organization.

Consolidated Statements of Operations

For financial reporting purposes, transactions deemed to be ongoing, major, or central to the provision of health care services are reported within Operating income, and include those revenues and expenses directly related to the provision of patient care, community wellness and education. Peripheral or incidental transactions are reported as Other nonoperating gains and losses and Other changes in net assets without donor restrictions.

Net Patient Service Revenue

The Organization records gross patient service revenue in the period that the performance obligations are satisfied. Generally, the Organization bills the patients and third-party payers several days after the services are performed and/or the patient is discharged from the facility. Net patient service revenue, before implicit price concession, represents gross patient service revenue, less provisions for contractual adjustments and uninsured discounts. Payments for services rendered to patients covered by Medicare, Medicaid, and other government programs are generally less than billed charges and, therefore, provisions for contractual adjustments are made to reduce gross patient service revenue to the expected cash receipts, based on each program's principles of payment or reimbursement. Performance obligations are determined based on the nature of the services provided by the Organization. For performance obligations satisfied over time, revenue is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. For performance obligations satisfied at a point in time, revenue is recognized when goods or services are provided, and the Organization does not believe it is required to provide additional goods or services to the patient. Estimates of contractual allowances for services rendered to patients covered by commercial insurance, including managed care health plans, are primarily based on the payment terms of contractual arrangements, such as predetermined rates per diagnosis, per diem rates, or discounted fee for service rates. Revenue related to uninsured patients have uninsured discounts applied; the uninsured discount for hospital services for patients that qualify for financial assistance is based on the amounts generally billed (AGB) as subject to and defined in IRS section 501(r).

The Organization estimates an implicit price concession related to uninsured accounts, net of the AGB discount, to record the net self-pay accounts receivable at the estimated amounts the Organization expects to collect. Coinsurances and deductibles within the third-party payer agreements are the patient's responsibility so the Organization includes these amounts in the self-pay accounts receivable and considers these amounts in its determination of the provision for uncollectible debts based on historical collection experience. For the years ended June 30, 2024 and 2023, respectively, LVHN recorded a provision for implicit price concessions of \$201,317 and \$155,693 as a direct reduction to patient service revenues.

In instances where the Organization believes a patient has the ability to pay for services and, after appropriate collection efforts, payment is not made, the unpaid portion of the account balance is written-off to the provision for bad debts. Amounts recorded as provision for bad debts do not include charity care.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Patient Service Revenue (continued)

Patient service revenue, net of contractual allowances, discounts, and implicit price concession recognized was as follows for the years ended June:

	<u>2024</u>	<u>2023</u>
Medicare	24%	25%
Medicare Managed Care	15%	13%
Medicaid	3%	1%
Medicaid Managed Care	9%	11%
Commercial Insurance	41%	41%
Other	7%	7%
Self Pay	<u>1%</u>	<u>2%</u>
Net patient service revenue	<u>100%</u>	<u>100%</u>

Net patient service revenue also includes estimates for retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are recorded on an estimated basis in the period the related services are rendered or when known by the Organization and adjusted in future periods as final settlements are determined. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is a reasonable possibility that recorded estimates will change by a material amount in the near term. Changes in prior year estimates of third-party settlements increased Net patient service revenue by \$8,241 and \$10,868 in the years ended June 30, 2024 and 2023, respectively.

Concentrations of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of net receivables from patients and third-party payers was as follows at June 30:

	<u>2024</u>	<u>2023</u>
Medicare	15%	15%
Medicare Managed Care	14%	14%
Medicaid	3%	3%
Medicaid Managed Care	9%	9%
Commercial Insurance	42%	45%
Other	10%	8%
Self Pay	<u>7%</u>	<u>6%</u>
Total	<u>100%</u>	<u>100%</u>

Other Supporting Operations Revenue

Other supporting operations revenue primarily includes revenue from grant contracts, property rental, partnership revenue, and unrestricted contributions. Revenue from grant contracts are recognized in accordance with ASC 958, *Not-for-Profit Entities*. Partnership Revenue is recognized in accordance with ASC 323, *Investment Equity Methods and Joint Ventures*. All other supporting operations revenue is recognized when performance obligations identified within individual contracts are satisfied and collections are reasonably assured.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, Net assets with donor restrictions are reclassified as Net assets without donor restrictions and reported in the Consolidated Statements of Operations as Net assets released from restrictions used for operations or Net assets released from restrictions – capital acquisitions. In the absence of donor specification that investment income on donated funds be restricted, such income is reported as a component of Net assets without donor restrictions in Other nonoperating gains and losses as Realized and unrealized investment gains and in Other changes in net assets without donor restrictions as Change in net unrealized (losses) on investments.

Income Taxes

The Organization and its subsidiaries are generally exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code, except for tax imposed on unrelated business income. The most recent determination letter, received by the Organization, is dated May 1, 2014. The Organization and its subsidiaries account for uncertain tax positions in accordance with Financial Accounting Standards Board (the “FASB”) Accounting Standards Codification (“ASC”) Topic 740. The Organization did not have any significant uncertain tax positions as of June 30, 2024 and 2023, respectively. The Organization’s for-profit components recognize deferred tax assets and liabilities for the future tax impact of temporary differences between amounts recorded in the consolidated financial statements and their respective tax bases and the future benefit of utilizing net operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Income taxes of the Organization’s tax-exempt and for-profit components are not material to the accompanying consolidated financial statements.

Performance Indicator

In the Consolidated Statements of Operations, the primary indicator of the Organization’s results, is Excess of revenues and gains over expenses and losses attributed to Lehigh Valley Health Network and Subsidiaries. Changes in unrestricted net assets that are excluded from the performance indicator, consistent with industry practice, include Net assets released from restrictions – capital acquisitions, Contribution of long-lived assets, and Adjustment to funded status of pension plans, among other things.

2. PROPERTY AND EQUIPMENT, NET

Property and equipment, and related accumulated depreciation and amortization, consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land and land improvements	\$224,771	\$229,160
Buildings and building service equipment	1,983,728	2,011,284
Fixed, major moveable equipment, and software	1,185,036	1,091,879
Assets under capital leases and financing obligations	172,793	173,123
Construction in progress	<u>114,369</u>	<u>144,182</u>
Total cost	3,680,697	3,649,628
Accumulated depreciation and amortization	<u>(1,887,893)</u>	<u>(1,793,255)</u>
Property and equipment, net	<u>\$1,792,804</u>	<u>\$1,856,373</u>

Depreciation and amortization expense relating to property and equipment, and assets under financing obligations, for the periods ended June 30, 2024 and 2023, was \$172,995 and \$174,564, respectively. Amortization of assets under financing obligations included in Depreciation and amortization expense was \$6,710 and \$6,265 for the periods ended June 30, 2024 and 2023, respectively. Accumulated amortization relating to the assets under financing obligations was \$64,133 and \$57,790 at June 30, 2024 and 2023, respectively, and is included in accumulated depreciation and amortization.

2. PROPERTY AND EQUIPMENT, NET (continued)

Construction in progress (CIP) at June 30, 2024, is primarily made up of spending for the planning and construction of medical office buildings and other hospital facilities, information technology projects, and for renovations and building improvements.

3. OTHER CURRENT ASSETS AND LIABILITIES

Other current assets consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Inventories	\$77,740	\$77,500
Prepays	55,403	56,609
Assets whose use is limited under bond debt service fund	33,383	33,065
Assets whose use is limited under primary professional liability arrangements	<u>18,789</u>	<u>18,082</u>
Total other current assets	<u>\$185,315</u>	<u>\$185,256</u>

Other current liabilities consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Accounts payable	\$263,033	\$186,654
Accrual for estimated third-party settlements	8,207	5,849
Accrued compensation	168,595	152,168
Other accrued expenses	53,216	46,621
Professional liability	<u>35,064</u>	<u>27,857</u>
Total other current liabilities	<u>\$528,115</u>	<u>\$419,149</u>

4 ASSETS WHOSE USE IS LIMITED OR RESTRICTED AND PARTNERSHIP INVESTMENTS

Investments carried primarily at fair value and other assets carried at cost at June 30, 2024 and 2023 are summarized as follows:

	Cash and cash equivalents	Fixed income securities	Equity securities	Alternatives investments	Other investments (A)	Accrued interest	Total
<u>2024</u>							
Assets whose use is limited or restricted:							
• under bond debt service fund - current portion	\$33,383	\$0	\$0	\$0	\$0	\$0	\$33,383
• under primary professional liability arrangements - current portion	3,011	10,910	4,193	610	0	65	18,789
• by board for capital improvements	24,160	356,133	509,519	322,174	0	2,213	1,214,199
• by board for retained excess professional liability arrangements	2,286	10,206	16,042	11,599	0	63	40,196
• under primary professional liability arrangements	12,622	50,857	27,323	10,583	0	290	101,675
• by management (B)	12,322	471	1,095	652	8,477	5	23,022
• under bond indenture, bond construction, debt service and debt service reserve agreements - held by trustee	6	0	0	0	0	0	6
• by donors or grantors	18,718	66,809	155,712	93,442	58,950	618	394,249
• to fund deferred compensation and other liabilities	8,935	34,923	141,333	0	959	0	186,150
Partnership investments	0	0	0	0	24,614	0	24,614
Total investments	<u>\$115,443</u>	<u>\$530,309</u>	<u>\$855,217</u>	<u>\$439,060</u>	<u>\$93,000</u>	<u>\$3,254</u>	<u>\$2,036,283</u>
<u>2023</u>							
Assets whose use is limited or restricted:							
• under bond debt service fund - current portion	\$33,065	\$0	\$0	\$0	\$0	\$0	\$33,065
• under primary professional liability arrangements - current portion	2,375	9,964	4,803	876	0	64	18,082
• by board for capital improvements	37,877	365,761	399,701	341,495	0	2,494	1,147,328
• by board for retained excess professional liability arrangements	1,839	10,417	11,191	10,937	0	71	34,455
• under primary professional liability arrangements	9,845	46,652	26,084	11,448	0	290	94,319
• by management (B)	1,120	4,981	13,695	9,813	8,477	49	38,135
• under bond indenture, bond construction, debt service and debt service reserve agreements - held by trustee	6	0	0	0	0	0	6
• by donors or grantors	15,635	50,770	137,608	97,065	57,134	503	358,715
• to fund deferred compensation and other liabilities	8,196	38,324	114,231	0	1,018	0	161,769
Partnership investments	0	0	0	0	21,673	0	21,673
Total investments	<u>\$109,958</u>	<u>\$526,869</u>	<u>\$707,313</u>	<u>\$471,634</u>	<u>\$88,302</u>	<u>\$3,471</u>	<u>\$1,907,547</u>

(A) Includes \$14,833 and \$13,783 representing the Organization's interest in certain perpetual trusts stated at net present value at June 30, 2024 and 2023, respectively. Includes \$43,088 and \$42,280 of pledges receivable at June 30, 2024 and 2023, respectively. Includes other investments, primarily cash surrender value of life insurance of \$2,215 and \$2,316 at June 30, 2024 and 2023, respectively. Includes partnership investments of \$24,614 and \$21,673 at June 30, 2024 and 2023, respectively. Includes an unrestricted gift of land valued at \$8,250 at June 30, 2024 and 2023.

(B) Assets limited by management are primarily unspent unrestricted gift proceeds invested until used, and the unrestricted gift of land described in note (A) above.

4. ASSETS WHOSE USE IS LIMITED OR RESTRICTED AND PARTNERSHIP INVESTMENTS (Continued)

The following schedule summarizes the investment earnings and their classification in the Consolidated Statements of Operations and Consolidated Statements of Changes in Net Assets for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Income:		
Interest and dividend income	\$45,011	\$42,303
Net realized gains on investments	67,548	16,088
Net unrealized gains on investments	<u>49,918</u>	<u>40,409</u>
Total	<u>\$162,477</u>	<u>\$98,800</u>
Reported as follows:		
Consolidated Statements of Operations:		
Other nonoperating gains and losses - Realized and unrealized investment gains	\$159,844	\$80,049
Other changes in net assets without donor restrictions - Change in net unrealized losses on investments	(31,280)	(6,914)
Consolidated Statements of Changes in Net Assets:		
Net assets with donor restrictions - Realized and unrealized investment gains	<u>33,913</u>	<u>25,665</u>
Total	<u>\$162,477</u>	<u>\$98,800</u>

Other Than Temporary Impairment

The Organization recognizes other than temporary impairment charges on debt and equity securities when: (1) in management's judgment, a decline in value is not temporary or (2) when the Organization, through its investment managers, has made a decision to sell the security at an amount below its carrying value, or (3) when the Organization determines it does not have the ability and intent to hold an investment for a sufficient period of time for a recovery of fair value.

When an other than temporary impairment is recognized, the security is written down to fair value, which becomes its new cost basis, and the amount of the write-down is recorded as a realized loss.

During the years ended June 30, 2024 and 2023, assessments of other than temporary impairment were performed on each security held by the Organization. Factors considered in determining whether an other than temporary impairment existed included: the financial position, business prospects and creditworthiness of the issuer, and the length of time and extent to which fair value had been less than cost for equity securities or amortized cost for fixed income securities.

The other than temporary impairment losses recorded during the years ended June 30, 2024 and 2023, were \$4,037 and \$10,980, respectively. These losses are reported in Realized and unrealized investment gains (losses) in the Consolidated Statements of Operations.

In addition to the above, certain other investments had fair values below cost at June 30, 2024 and 2023 but were determined to not be other than temporarily impaired due to the Organization's ability and intent to hold the securities until recovery of fair value.

The following table presents the unrealized losses and fair value of these investments, aggregated by investment category and length of time individual securities have been in a continuous unrealized loss position at June 30:

	Less than 12 months			Greater than 12 months			Total		
	Number of securities	Fair value	Unrealized loss	Number of securities	Fair value	Unrealized loss	Number of securities	Fair value	Unrealized loss
<u>2024</u>									
Fixed income securities	0	\$0	\$0	1	\$199,654	(\$37,823)	1	\$199,654	(\$37,823)
Equity mutual funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>\$0</u>	<u>\$0</u>	<u>1</u>	<u>\$199,654</u>	<u>(\$37,823)</u>	<u>1</u>	<u>\$199,654</u>	<u>(\$37,823)</u>
<u>2023</u>									
Fixed income securities	0	\$0	\$0	1	\$171,720	(\$38,885)	1	\$171,720	(\$38,885)
Equity mutual funds	<u>1</u>	<u>4,582</u>	<u>(90)</u>	<u>1</u>	<u>126,035</u>	<u>(12,459)</u>	<u>2</u>	<u>130,617</u>	<u>(12,549)</u>
Total	<u>1</u>	<u>\$4,582</u>	<u>(\$90)</u>	<u>2</u>	<u>\$297,755</u>	<u>(\$51,344)</u>	<u>3</u>	<u>\$302,337</u>	<u>(\$51,434)</u>

4. ASSETS WHOSE USE IS LIMITED OR RESTRICTED AND PARTNERSHIP INVESTMENTS (Continued)

Other Than Temporary Impairment (continued)

The unrealized losses on investments in marketable equity and fixed income securities were caused by a combination of economic, industry, and company factors. The Organization's marketable equity and fixed income securities are diversified. The nature of a diversified portfolio is that, at any point in time, some holdings are reasonably expected to reflect market losses. Since the Organization (a) does not intend to sell the securities and (b) believes that it is not more-likely-than-not that it will be required to sell the securities before recovery of their amortized cost basis, the securities are not considered to be other-than-temporarily impaired.

5. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available within one year of the balance sheet date for general expenditures such as operating expenses and capital costs not financed with debt as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$219,966	\$158,195
Patient accounts receivable	510,204	470,293
Other accounts receivable	127,311	71,883
Assets whose use is limited by management (Footnote 4)	23,022	38,135
Assets whose use is limited by board for capital improvements (Footnote 4)	<u>1,214,199</u>	<u>1,147,328</u>
Total liquidity	<u>\$2,094,702</u>	<u>\$1,885,834</u>

Financial assets not available for general use because of contractual or donor-imposed restrictions were \$774,448 and \$700,411 at June 30, 2024 and 2023, respectively. Amounts not available for general use include amounts set aside for scheduled principal payments on debt, self-insurance funds, and perpetual, time, and purpose restricted assets.

As of June 30, 2024 and 2023, the Organization has liquid assets on hand to cover 124 days of operating expenses. The Organization's practice is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could draw upon a \$200,000 available line of credit (see note 7- Long term debt).

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and cash equivalents, patient accounts receivables, other accounts receivable, other current assets, accounts payable, estimated third-party settlements, and all other current liabilities are reported at carrying values, which approximate fair value because of the short-term nature of these accounts.

Assets whose use is limited or restricted is comprised of short-term investments; U.S. Government agencies and authorities; corporate bonds; fixed income mutual funds; marketable equity securities; equity mutual funds; alternative investments; other investments; and accrued interest which are reported at amounts which approximate fair value based on quoted market prices and other relevant information. Alternative investments, which include hedge funds and private core real estate are carried at the net asset value provided by the management of the alternative investment partnerships or funds.

Assets and liabilities recorded at fair value in the Consolidated Statements of Financial Position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. In situations where more than one level of input is used to determine the fair value of an asset or liability, the asset or liability categorization within the fair value hierarchy is based on the lowest (that requiring the most judgment) level of significant input to its valuation. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are described below.

The availability of observable inputs for valuation of investments varies and is affected by a wide variety of factors. When the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires significantly more judgment. The degree of judgment exercised by management in determining fair value is greatest for investments categorized as Level 3. For investments in this category, the Organization considers prices and inputs that are current as of the measurement date. In periods of market dislocation, the observability of prices and inputs may be reduced.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in active markets, valuation of these products does not entail a significant degree of judgment. Level 1 primarily includes those investments traded on active exchanges or markets.

Level 2 – Valuations based on quoted prices in active markets for *similar* assets or liabilities, quoted in markets that are not active or for which an identical asset or liability was not traded on the financial statement date or where all significant inputs are not observable, directly or indirectly. Level 2 primarily includes investments in U.S. Treasury securities and obligations of U.S. government agencies, together with municipal bonds, corporate debt securities, commercial mortgage and asset-backed securities, certain residential mortgage-backed securities that are generally investment grade, and certain equity securities.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. These are generally organization or individual investment manager generated inputs and are not observable market-based inputs. Material assumptions and factors considered in the valuation of perpetual trusts include reliance on third party estimates.

The following tables present the categorization of the Organization's assets and liabilities according to the valuation levels described above at June 30:

	<u>2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:					
Recurring fair value measurements investments:					
Cash and cash equivalents		\$335,409	\$284,784	\$50,625	\$0
Equity securities:					
Domestic equity		646,840	646,840	0	0
International equity - developed markets		136,983	136,983	0	0
International equity - emerging markets		66,852	66,567	285	0
Real estate equity		4,542	4,542	0	0
Fixed income:					
U.S. Treasury securities and obligations of U.S. Government agencies		69,363	0	69,363	0
Corporate bonds		364,331	252,844	111,487	0
Asset-backed securities		50,262	0	50,262	0
Collateralized mortgage obligations		5,021	0	5,021	0
Term notes		43,116	0	43,116	0
Perpetual trust		14,833	0	0	14,833
Investment - swaps		2,500	0	2,500	0
Other		1,988	0	1,988	0
Total		<u>1,742,040</u>	<u>1,392,560</u>	<u>334,647</u>	<u>14,833</u>
Other investments measured at net asset value ⁽¹⁾		<u>439,060</u>			
Total recurring fair value measurements		<u>\$2,181,100</u>			
Liabilities:					
Recurring fair value of liabilities:					
Investment - swaps		\$1,030	\$0	\$1,030	\$0
Other liabilities - swap liabilities		<u>1,565</u>	<u>0</u>	<u>1,565</u>	<u>0</u>
Total		<u>\$2,595</u>	<u>\$0</u>	<u>\$2,595</u>	<u>\$0</u>

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	<u>2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:					
Recurring fair value measurements investments:					
Cash and cash equivalents		\$268,153	\$225,548	\$42,605	\$0
Equity securities:					
Domestic equity		491,867	491,867	0	0
International equity - developed markets		134,737	134,737	0	0
International equity - emerging markets		76,218	76,041	177	0
Real estate equity		4,491	4,491	0	0
Fixed income:					
U.S. Treasury securities and obligations of U.S. Government agencies		48,243	0	48,243	0
Corporate bonds		366,368	227,578	138,790	0
Asset-backed securities		56,354	0	56,354	0
Collateralized mortgage obligations		4,108	0	4,108	0
Term notes		54,186	0	54,186	0
Perpetual trust		13,783	0	0	13,783
Investment - swaps		2,071	0	2,071	0
Other		2,107	0	2,107	0
Total		<u>1,522,686</u>	<u>1,160,262</u>	<u>348,641</u>	<u>13,783</u>
Other investments measured at net asset value ⁽¹⁾		<u>471,634</u>			
Total recurring fair value measurements		<u>\$1,994,320</u>			
Liabilities:					
Recurring fair value of liabilities:					
Investment - swaps		\$990	\$0	\$990	\$0
Other liabilities - swap liabilities		<u>2,239</u>	<u>0</u>	<u>2,239</u>	<u>0</u>
Total		<u>\$3,229</u>	<u>\$0</u>	<u>\$3,229</u>	<u>\$0</u>

(1) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

The following tables present the investments measured at net asset value per share as a practical expedient along with a brief description of the investment at June 30:

<u>2024</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Hedge funds ⁽¹⁾	\$146,067	\$0	Monthly/Quarterly	90 days notice
Private core real estate ⁽²⁾	155,961	0	Quarterly	30-90 days notice
Equity-collective ⁽³⁾	129,859	0	Bi-monthly	7 days notice
Private equity ⁽⁴⁾	7,173	26,321	Upon distribution by fund	Not available
Private credit ⁽⁵⁾	<u>0</u>	<u>20,000</u>	Upon distribution by fund	Not available
Total	<u>\$439,060</u>	<u>\$46,321</u>		
<u>2023</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Hedge funds ⁽¹⁾	\$161,111	\$0	Monthly/Quarterly	90 days notice
Private core real estate ⁽²⁾	185,002	0	Quarterly	30-90 days notice
Equity-collective ⁽³⁾	121,874	0	Bi-monthly	7 days notice
Private equity ⁽⁴⁾	<u>3,647</u>	<u>19,900</u>	Upon distribution by fund	Not available
Total	<u>\$471,634</u>	<u>\$19,900</u>		

6. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

- (1) The principal objective is to seek consistent stable returns by allocation of the Fund's assets to a wide range of alternative investment strategies across the global financial markets. The Fund's assets are managed primarily through investments in other corporations and other investment vehicles, as well as, indirectly through segregated portfolio companies, collectively referred to as investment funds. The fair value of the investments in this class have been estimated using the net asset value per share of the investments.
- (2) The principal objective is to invest either directly or through joint ventures in real estate investments, mortgages, and other loans. The fair values of the investments in this class have been estimated using the net asset values per share of the investments.
- (3) The principal objective is to invest primarily in a broad range of long international equity instruments. The Fund seeks to systematically exploit opportunities across countries, sectors and securities as they evolve over time by evaluating a broad array of predictive factors such as, but not limited to, value, momentum and earnings while actively managing currency exposures. Fund will primarily invest in equity securities in the benchmark and opportunistically in equity securities outside of the Benchmark. The fair values of the investments in this class have been estimated using the net asset values per share of the investments.
- (4) Private equity includes investments primarily focused on investment opportunities with non-publicly traded companies. Their primary purpose is to achieve attractive long-term returns primarily through capital appreciation. Investments are typically in pooled vehicles or entities with limited or restricted liquidity. As the private funds unwind, LVHN will receive cash from the payout of the funds. The liquidation of these private funds typically take place in five to ten years. The private assets are generally valued on a quarterly basis based on information provided by fund managers or general partners with an annual audit performed by an independent third party.
- (5) Private credit includes investments primarily focused on private debt facilities and/or real estate debt. Their primary purpose is to achieve attractive long-term returns primarily through income and some capital appreciation. Investments are typically in pooled vehicles or entities with limited or restricted liquidity. As the private funds unwind, LVHN will receive cash from the payout of the funds. The liquidation of these private funds typically take place in five to ten years. The private assets are generally valued on a quarterly basis based on information provided by fund managers or general partners with an annual audit performed by an independent third party.

The fair value of the Organization's interest rate swaps was determined based on the comparison of the present value of the fixed rate payments, the Organization is committed to make to the present value of the variable rate payments the Organization is expected to receive from the swap counterparties. The variable payments were based on estimated future interest rates using current LIBOR based interest rate models.

The Organization's use of Level 3 unobservable inputs at June 30, 2024 and 2023, accounted for 0.7% and 0.7%, respectively, of the total recurring fair value measurements. The following tables summarize changes in Level 3 assets measured at fair value at June 30, 2024 and 2023:

	Perpetual <u>trusts</u>
Beginning balance July 1, 2022	\$12,950
Increase in beneficial interest in perpetual trusts	<u>833</u>
Ending balance June 30, 2023	<u>\$13,783</u>
Beginning balance July 1, 2023	\$13,783
Increase in beneficial interest in perpetual trusts	<u>1,050</u>
Ending balance June 30, 2024	<u>\$14,833</u>

There were no transfers of amounts between valuation levels during the years ended June 30, 2024 and 2023.

7. LONG-TERM DEBT

Long-term debt consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Hospital Revenue Bonds - fixed rate ¹	\$876,555	\$892,510
Hospital Revenue Bonds - variable rate ²	225,349	231,564
Other debt ³	<u>160,967</u>	<u>207,083</u>
Total long-term debt	\$1,262,871	\$1,331,157
Less: debt financing costs, net of accumulated amortization	(6,988)	(7,328)
Net premiums and discounts	<u>52,843</u>	<u>55,296</u>
Total debt, net of deferred financing costs and premiums and (discounts)	\$1,308,726	\$1,379,125
Less: current maturities	<u>(105,134)</u>	<u>(26,408)</u>
Total long-term debt, net of current portion	<u>\$1,203,592</u>	<u>\$1,352,717</u>

¹ Interest rates on the fixed rate revenue bonds range from 3.0% to 5.0% with maturity dates ranging from July 1, 2038 through July 1, 2049.

² Interest rates on the variable rate revenue bonds ranged from 3.88% to 4.75% at June 30, 2024, and from 4.00% to 4.62% at June 30, 2023, with maturity dates ranging from July 1, 2047 through July 1, 2050.

³ Includes Wells Fargo revolving line of credit of \$76,911, PNC Bank term loan of \$38,016, mortgage liability to PNC Bank of \$29,330 American Bank loans of \$11,443, and other debt of \$5,267 at June 30, 2024, and Wells Fargo revolving line of credit of \$125,027, PNC Bank term loan of \$38,814, mortgage liability to PNC Bank of \$30,405, American Bank loans of \$10,347, and other debt of \$2,490 at June 30, 2023.

Issuance of Long-term Debt: Hospital Revenue Bonds – Fixed Rate

On September 8, 2022, the Carbon County Authority, on behalf of the Organization, issued \$42,500 in fixed rate tax-exempt bonds (Series 2022A) to pay or refinance costs of certain capital projects and to pay costs of issuance. These bonds were purchased directly by Wells Fargo Municipal Capital Strategies, LLC and were advanced on the date of issuance. The Series 2022A Bonds bear interest at a fixed rate of 3.01% and mature on July 1, 2047.

Issuance of Long-term Debt: Hospital Revenue Bonds – Variable Rate

On September 8, 2022, the Carbon County Authority, on behalf of the Organization, issued \$42,500 in variable rate tax-exempt bonds (Series 2022B), of which \$32,500 were advanced on the date of issuance to pay or refinance costs of certain capital projects and to pay costs of issuance. An additional \$7,807 was advanced over a nine-month period thereafter. The Series 2022B Bonds were purchased directly by Wells Fargo Municipal Capital Strategies, LLC, with interest based upon a SIFMA index rate. The Bonds mature on July 1, 2047.

Issuance of Long-term Debt: Other Debt

On June 26, 2024, Lehigh Valley Imaging, LLC, a subsidiary of Lehigh Valley Hospital, Inc., entered into a loan agreement with First American Commercial Bancorp in the form of a \$3,245 term loan to finance certain costs associated with the purchase and installation of furniture, fixtures and equipment at a leased facility. The term loan carries a fixed rate of interest of 7.185% and matures July 1, 2031.

On February 29, 2024, Lehigh Valley Imaging, LLC, a subsidiary of Lehigh Valley Hospital, Inc., entered into a loan agreement with American Bank in the form of a delayed draw term loan with a maximum principal amount of \$3,200 to finance the purchase and installation of furniture, fixtures and equipment at a leased facility. The term loan carries a fixed rate of interest of 6.75% for the first 60 months and matures on March 1, 2033.

On August 30, 2022, the Organization entered into a term loan agreement with PNC Bank in the amount of \$40,000 to repay certain long-term debt and finance various capital projects and closing costs. Initially advanced was \$34,607, with an additional \$4,403 advanced over a six-month period thereafter. The term loan carries a variable rate of interest based upon a BSBY index rate and matures on August 30, 2027.

7. LONG-TERM DEBT (Continued)

Maturities of Long-Term Debt

Bond premiums and discounts are amortized to interest expense as direct additions or reductions of the carrying values of the related debt instruments from which the premiums or discounts arose. Bond premiums and discounts are amortized to interest expense over the period during which the debt is outstanding, using the straight-line method, which approximates the effective-interest method.

The maturity of total debt, excluding debt issuance costs and other non-cash debt discounts and premiums for the next five years and thereafter are as follows for the year ending June 30:

2025	\$105,134
2026	29,913
2027	31,224
2028	65,771
2029	30,943
Thereafter	<u>999,886</u>
Total principal for long-term debt	<u>\$1,262,871</u>

Restrictive Covenants

The Master Indenture contains provisions, covenants, and restrictions upon the Obligated Group, and, as applicable, the Combined Group, related to incurrence of indebtedness, the granting of liens on assets of the Combined Group, mergers and other corporate combinations and divestitures, sales, leases or other dispositions or assets and other matters. Such covenants require the maintenance of financial and non-financial covenants as defined in the MTI. The financial covenants provide for permitted additional indebtedness, maintenance of specific levels of cash on hand, and the maintenance of minimum debt service coverage ratios, as defined, among other things.

Swap Agreements

The Organization has hedged its long-term exposure to rising interest rates on portions of its variable and fixed rate debt through participation in interest rate swaps.

On August 3, 2023, LVHN entered into an interest rate swap agreement with Truist Bank to convert interest rate payment obligations with respect to the Series 2020 bonds from a SOFR based interest rate to a SIFMA based interest rate (the “2023 Basis Swap”).

On July 1, 2022, the Organization entered into a Total Return Swap (TRS) agreement with Bank of America to hedge a portion of the fixed rate on the Series 2012 bonds (the “2022 TRS Swap”).

The 2019 Swap where Fulton Bank was the counterparty was terminated on July 7, 2022, generating a realized gain of \$314 reflected in Other nonoperating gains in the Consolidated Statements of Operations.

The active swap agreements (the “Swaps”) carry a fair value based on long-term interest rates and are further described in the table below for the years ended June 30:

<u>Derivatives not designated as hedging instruments</u>	<u>Consolidated Statements of Financial Position - location</u>	<u>Liability Derivatives</u>	
		<u>Fair Value</u>	
		<u>2024</u>	<u>2023</u>
Interest rate contracts - 2022 TRS Swap	Derivative instruments	(\$1,527)	(\$2,239)
Interest rate contracts - 2023 Basis Swap	Derivative instruments	<u>(\$38)</u>	<u>\$0</u>
Total derivatives, net		<u>(\$1,565)</u>	<u>(\$2,239)</u>

As of June 30, 2024 and June 30, 2023, the TRS Swap where Bank of America is the counterparty had a negative balance of \$1,527 and \$2,239, respectively. Collateralization for the 2022 TRS Swap was not required at June 30, 2024.

As of June 30, 2024 and June 30, 2023, the Basis Swap where Truist Bank is the counterparty had a negative balance of \$38 and no market balance, respectively. Collateralization for the 2023 Basis Swap was not required at June 30, 2024.

7. LONG-TERM DEBT (Continued)

The 2022 TRS Swap and the 2023 Basis Swap are considered to be ineffective hedges and do not qualify for hedge accounting treatment where all changes in the Swaps' fair value are reported in Other nonoperating gains and losses as Change in net unrealized gains (losses) on swaps in the Consolidated Statements of Operations.

The below table presents the unrealized gains and losses on the Swaps within the Consolidated Statements of Operations for the years ended:

<u>Derivatives not designated as hedging instruments</u>	<u>Location of gains/(losses) on ineffective portion</u>	<u>2024</u>	<u>2023</u>
Interest rate contracts - 2022 TRS Swap	Other nonoperating gains and losses - Change in net unrealized gains (losses) on swaps	\$712	(\$2,239)
Interest rate contracts - 2023 Basis Swap	Other nonoperating gains and losses - Change in net unrealized gains (losses) on swaps	<u>(\$38)</u> 674	<u>\$0</u> (2,239)
<u>Derivatives designated as hedging instruments</u>	<u>Location of losses on effective portion</u>		
Interest rate contracts - 2019 Swap	Other changes in net assets without donor restrictions- Change in net unrealized (losses) on derivatives	<u>\$0</u>	<u>(\$276)</u>
Total derivatives, net		<u>\$674</u>	<u>(\$2,515)</u>

Line of Credit

At June 30, 2024 and 2023, the Organization has a consolidated line of credit in the amount of \$200,000 with an expiration date of July 26, 2024. On July 26, 2024, the line of credit was amended to extend the expiration date to July 26, 2025. Amounts borrowed from the line of credit at June 30, 2024 and 2023 were \$76,911 and \$125,027, respectively. At June 30, 2024 and 2023, a total of \$19,382 and \$21,800, respectively, in the form of letters of credit were issued. The remaining amount available under the line of credit at June 30, 2024 and 2023 was 103,707 and \$53,173, respectively.

8. RETIREMENT PLANS

The Organization provides employees with a variety of retirement plan options through a combination of defined benefit and defined contribution benefit plans based on an employee's hire date.

Lehigh Valley Health Network Defined Benefit Retirement Plan

Prior to July 1, 2006, the Organization's retirement plan ("the LVHN Plan") was a noncontributory defined benefit plan that covered all full-time and certain part-time employees. In order to provide increased flexibility to employees, effective July 1, 2006, additional retirement plan options were implemented. Employees hired prior to April 1, 2006, had the choice of selecting between 1) a noncontributory defined benefit option (the previous plan), 2) a combination of noncontributory defined benefit option with reduced benefits plus a contributory matched savings plan benefit in accordance with the LVHN Plan, or 3) a noncontributory defined contribution benefit with a matched savings plan benefit in accordance with the LVHN Plan. Employees hired on April 1, 2006, or later, had the choice of selecting between options 2 and 3 above, the previous noncontributory defined benefit option (option 1 above) is not available to employees hired after April 1, 2006. In 2011, the Organization further modified pension plan options available to employees in the future. Employees hired on or after October 1, 2011, can participate only in option 3 above. Effective January 1, 2017 the plan was partially frozen with all active employees participating in the defined benefit plan transitioned to the defined contribution plan allowing only salary increases for "grandfathered" employees. As of December 31, 2021 the defined benefit plan was completely frozen with no future benefit accruals.

Information for the noncontributory defined benefit option regarding funded status, net periodic pension cost, benefit obligation, and assumptions, as of June 30, 2024 and 2023, is presented below and on the following pages. The Plan's assets described below and on the following pages are not included in the consolidated financial statements of the Organization.

8. RETIREMENT PLANS (Continued)

Description of Investment Policies

The primary investment objective for the LVHN Plan's assets is to preserve the Plan's fully funded status while providing some opportunity for growth.

Plan Assets

The Plan assets are overseen by the Finance Committee, a component of The Board of Trustees of the Organization. Based on an assessment of the Organization's long-term goals and desired risk levels, the Finance Committee has approved an investment allocation to a static 80/20 mix of liability hedging investments and return seeking investments, respectively. In addition, investments have been structured to provide for 100% hedging of the portfolio against adverse interest rate changes to preserve the Plan's funded status. The policy at June 30:

Funded Ratio	Return Seeking Portfolio			Liability Hedging Credit			Liability Hedging Government		
	Low	Target	High	Low	Target	High	Low	Target	High
≤103%	33%	36%	39%	29%	48%	67%	0%	16%	38%

Funded Ratio	Return Seeking Portfolio			Liability Hedging Credit			Liability Hedging Government		
	Low	Target	High	Low	Target	High	Low	Target	High
≤102%	36%	39%	42%	23%	44%	64%	0%	17%	41%

The Organization has entered into an Outsourced Chief Investment Officer (OCIO) arrangement with its investment advisor who will monitor the Plan's position with respect to the glide path, making asset allocation and manager/strategy changes to the Plan's portfolio as appropriate. The investment advisor will notify the Finance Committee when asset allocation or manager/strategy changes have taken place.

The Plan's actual asset allocation, by investment category, at June 30:

	2024		2023	
	Actual	Target	Actual	Target
Global public equity	15.0%	15.0%	27.9%	28.1%
Private equity	0.0%	0.0%	0.1%	0.0%
Multi-asset credit	2.3%	2.5%	2.1%	2.7%
Core real estate	5.5%	2.5%	6.8%	4.1%
Hedge funds	<u>0.2%</u>	<u>0.0%</u>	<u>4.4%</u>	<u>4.1%</u>
Total return seeking investments	23.0%	20.0%	41.3%	39.0%
Cash	1.3%	0.0%	1.1%	0.0%
Long fixed income	<u>75.7%</u>	<u>80.0%</u>	<u>57.6%</u>	<u>61.0%</u>
Total liability hedging investments	<u>77.0%</u>	<u>80.0%</u>	<u>58.7%</u>	<u>61.0%</u>
Total allocation of investments	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Determination of Expected Return on Plan Assets

To develop the expected return on Plan assets assumption reported below, the Organization considered the current level of expected returns on risk-free investments (primarily government bonds), and the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each Class. The expected return for each asset class was weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

8. RETIREMENT PLANS (Continued)

Fair Value of Plan Assets

The following tables present the categorization of the Plan's assets according to the levels of valuation risk described in note 6 at June 30:

	<u>2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets					
Recurring fair value measurement investments					
Cash and cash equivalents		\$17,477	\$2,656	\$14,821	\$0
Equity securities					
Domestic equity		145,971	0	145,971	0
International equity - developed markets		23,875	0	23,875	0
Fixed income					
US Treasury securities and obligations of US Government agencies		178,027	0	178,027	0
Corporate bonds		<u>679,790</u>	<u>0</u>	<u>679,790</u>	<u>0</u>
Total fair value measurements excluding net asset investments		1,045,140	2,656	1,042,484	0
Other investments measured at net asset value ⁽¹⁾		<u>87,566</u>			
Total recurring fair value measurements		<u>\$1,132,706</u>			

⁽¹⁾ Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

	<u>2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets					
Recurring fair value measurement investments					
Cash and cash equivalents		\$12,778	\$182	\$12,596	\$0
Equity securities					
Domestic equity		263,564	0	263,564	0
International equity - developed markets		59,844	0	59,844	0
Fixed income					
US Treasury securities and obligations of US Government agencies		193,569	0	193,569	0
Corporate bonds		<u>476,581</u>	<u>0</u>	<u>476,581</u>	<u>0</u>
Total fair value measurements excluding net asset investments		1,006,336	182	1,006,154	0
Other investments measured at net asset value ⁽¹⁾		<u>154,269</u>			
Total recurring fair value measurements		<u>\$1,160,605</u>			

⁽¹⁾ Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy.

For the years ended June 30, 2024 and 2023, there were no transfers between the valuation levels.

8. RETIREMENT PLANS (Continued)

Fair Value of Plan Assets (continued)

The following tables present the investments measured at net asset value per share as a practical expedient along with a brief description of the investment at June 30:

<u>2024</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Hedge funds ⁽¹⁾	\$23,447	\$0	Monthly/Semi-annually	10-95 days notice
Private core real estate ⁽²⁾	62,155	0	Quarterly	60-90 days notice
Private equity ⁽³⁾	445	0	Upon distribution by fund	Not available
Private credit ⁽⁴⁾	<u>1,519</u>	<u>0</u>	Upon distribution by fund	Not available
Total	<u>\$87,566</u>	<u>\$0</u>		

<u>2023</u>	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Hedge funds ⁽¹⁾	\$73,595	\$0	Monthly/Semi-annually	10-95 days notice
Private core real estate ⁽²⁾	78,586	0	Quarterly	60-90 days notice
Private equity ⁽³⁾	736	0	Upon distribution by fund	Not available
Private credit ⁽⁴⁾	<u>1,352</u>	<u>0</u>	Upon distribution by fund	Not available
Total	<u>\$154,269</u>	<u>\$0</u>		

- (1) The principal objective is to seek consistent stable returns by allocation of the Fund's assets to a wide range of alternative investment strategies across the global financial markets. The Fund's assets are managed primarily through investments in other corporations and other investment vehicles, as well as, indirectly through segregated portfolio companies, collectively referred to as investment funds. The fair value of the investments in this class have been estimated using the net asset value per share of the investments.
- (2) The principal objective is to invest either directly or through joint ventures in real estate investments, mortgages, and other loans. The fair value of the investments in this class have been estimated using the net asset values per share of the investments.
- (3) These investments includes several private equity fund of fund investments. The primary purpose is to achieve long-term returns through investing in a diversified portfolio of equity limited partnerships. These investments are subject to lock-up provisions and cannot be redeemed without incurring significant investment penalties. (Secondary markets may be available but at substantial discounts to the investment value.) As the private equity funds unwind (consistent with the lock-up provisions) the LVHN Pension Plan will receive cash from the payout of the funds. The liquidation of these private equity funds will take place one year after the date by which all portfolio investments have been liquidated. The fair value of the investments in this class have been estimated using the net asset value per share of the investment.
- (4) The investment objective is to seek to generate attractive returns by investing in a range of credit opportunities. The investment seeks to achieve its investment objective by allocating its capital primarily among a select group of experienced portfolio managers, identified for their respective abilities in implementing various credit strategies and previous experience in credit downturns, through investments in collective investment vehicles managed by such Managers.

8. RETIREMENT PLANS (Continued)

Additional Pension Information

The Organization uses a June 30 measurement date for the Plan. The following tables set forth the main LVHN Plan's funded status, benefits paid, employer contributions made, and certain other information and amounts recognized in the consolidated financial statements and excludes smaller defined benefit plans within the Organization for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$1,090,823	\$1,186,965
Interest cost	59,766	56,347
Plan amendments	0	0
Actuarial (gain)	(9,857)	(89,021)
Benefits paid	<u>(65,396)</u>	<u>(63,468)</u>
Projected benefit obligation at end of year	<u>\$1,075,336</u>	<u>\$1,090,823</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$1,160,605	\$1,169,106
Actual return on plan assets	34,547	26,287
Employer contributions	2,950	28,680
Benefits paid	<u>(65,396)</u>	<u>(63,468)</u>
Fair value of plan assets at end of year	<u>\$1,132,706</u>	<u>\$1,160,605</u>
Funded status at end of year	<u>\$57,370</u>	<u>\$69,782</u>
Amounts recognized in the Consolidated Statements of Financial Position consists of:		
Pension - noncurrent assets	<u>57,370</u>	<u>69,782</u>
Net amount recognized	<u>\$57,370</u>	<u>\$69,782</u>
Amounts recognized in Net assets without donor restrictions but not yet recognized in net periodic benefit cost:		
Prior service costs	(8,252)	(8,624)
Net loss	<u>(209,211)</u>	<u>(187,935)</u>
Total amount recognized in Net assets without donor restrictions	<u>(\$217,463)</u>	<u>(\$196,559)</u>

8. RETIREMENT PLANS (Continued)

Additional Pension Information (continued)

	<u>2024</u>	<u>2023</u>
Components of net periodic benefit cost (NPBC):		
Interest cost	\$59,766	\$56,347
Expected return on plan assets	(68,940)	(66,739)
Amortization of prior service cost	371	371
Recognized actuarial loss	<u>3,261</u>	<u>5,103</u>
Net periodic benefit income	<u>(\$5,542)</u>	<u>(\$4,918)</u>
Other changes in plan assets and benefit obligation recognized in Net assets without donor restrictions:		
Net actuarial loss (gain)	\$24,536	(\$48,569)
Amortization of loss	(3,261)	(5,103)
Curtailment loss recognized	<u>(371)</u>	<u>(371)</u>
Total loss (gain) recognized in Net assets without donor restrictions	<u>\$20,904</u>	<u>(\$54,043)</u>
Pension asset (liability) balance at beginning of year	\$69,782	(\$17,859)
Annual pension expense	5,542	4,918
Adjustments to funded status (loss) gain of pension plan	(20,904)	54,043
Annual contributions	<u>2,950</u>	<u>28,680</u>
Pension asset balance at end of year	<u>\$57,370</u>	<u>\$69,782</u>
Accumulated benefit obligation at year end	\$1,075,336	\$1,090,823
Weighted - average assumptions used to determine projected benefit obligation:		
Discount rate	5.778%	5.626%
Rate of compensation increase	n/a	n/a
Weighted - average assumptions used for NPBC development :		
Discount rate	5.626%	4.882%
Expected return on plan assets	6.330%	6.040%
Rate of compensation increase	n/a	n/a

The \$9,857 and \$89,021 of defined benefit plan gains in 2024 and 2023, respectively, that decreased the projected benefit obligations primarily reflected the year-over-year increases in the discount rates used to measure the obligations. The year-over-year change in discount rates used to measure the projected benefit obligation for the years ended June 30, 2024 and 2023 were 0.15% and .74%, respectively.

Estimated Future Benefit Payments

Future payments on an undiscounted basis to participants in the Plan are expected to occur as follows for the years ending June 30:

2025	\$72,447
2026	75,268
2027	77,849
2028	80,518
2029	82,130
2030-2035	<u>418,490</u>
Total	<u>\$806,702</u>

Expected contributions for the defined benefit plan are \$0 for the fiscal year ended June 30, 2025 due to the plan being fully funded.

8. RETIREMENT PLANS (Continued)

The following applies to the defined contribution and matched savings components of the retirement plan of LVHN.

During the years ended June 30, 2024 and 2023, the Organization made contributions of \$65,536 and \$61,398, respectively, to the defined contribution plans and recorded \$68,765 and \$61,688, respectively, in related pension expense. The liability recognized under the Current liabilities Pension in the Consolidated Statements of Financial Position at June 30, 2024 and 2023, for the defined contribution plan was \$19,887 and \$17,538, respectively. Total expected contributions to the defined contribution plan in fiscal year 2025 are \$71,834.

During the years ended June 30, 2024 and 2023, the Organization made contributions of \$26,468 and \$24,021, respectively, to the matched savings benefit plan and recorded \$26,605 and \$24,055, respectively, in related pension expense. The liability recognized under the Current liabilities Pension in the Consolidated Statements of Financial Position at June 30, 2024 and 2023, for the matched savings benefit plan was \$152 and \$213, respectively. Total expected contributions to the matched savings plan in fiscal year 2025 are \$27,337.

9. LEASES

Operating leases with durations greater than 12 months are recognized on the statement of financial position through recognition of a liability for the discounted present value of future lease payments and a corresponding right-of-use (“ROU”) asset. The Organization leases property and equipment under finance and operating leases. Leases are classified as either operating or finance with classification affecting the pattern and classification of expense recognition in the Consolidated Statements of Operations. The Organization’s accounting for finance leases remain substantially unchanged from its prior accounting for capital leases. The ROU asset recorded at commencement of the lease represents the right to use the underlying asset over the lease term in exchange for the lease payment.

Leases with an initial term of 12 months or less that do not have an option to purchase the underlying asset are not recorded on the balance sheet; rather, rent expense for these leases is recognized on a straight-line basis over the term of the lease. For leases with terms greater than 12 months, the Organization records the related assets and obligations at the present value of lease payments over the term. Many of the Organization’s leases include rental escalation clauses and renewal options that are factored into our determination of lease payments, when appropriate.

The Organization has elected not to allocate contract consideration between the lease and non-lease components for the following asset classes: real estate, office/administrative equipment, and IT equipment/data storage. However, the Organization has not elected this expedient for the medical equipment asset class and will allocate contract consideration between lease and non-lease components for this class.

In general, the lease term is clearly stated in the lease agreement, but when the agreement includes renewal options, management judgmentally determines the term of the lease. Since most of the Organization’s leases do not provide a rate of return, the Organization uses its incremental borrowing rate (“IBR”) based on information available at the commencement date in determining the present value of lease payments. The Organization updates its IBR on a monthly basis using a third-party financial model that estimates the rate of interest the Organization would have to pay to borrow an amount equal to the total lease payments on a collateralized basis over a term similar to the lease.

9. LEASES (Continued)

The components of lease cost and rent expense are as follows for the period ending:

<u>Lease cost</u>	<u>2024</u>	<u>2023</u>
Operating lease cost:		
Operating lease cost	\$44,041	\$42,703
Short-term rent expense	786	1,010
Variable lease cost	23,947	22,665
Termination fees	17	0
Sublease income	<u>(5,619)</u>	<u>(6,051)</u>
Total operating lease cost	<u>\$63,172</u>	<u>\$60,327</u>
Finance lease cost:		
Amortization of right-of-use assets	\$6,710	\$6,265
Interest on finance lease liabilities	9,552	9,007
Variable finance costs	<u>5,260</u>	<u>4,686</u>
Total finance lease cost	<u>\$21,522</u>	<u>\$19,958</u>

Supplemental statement of financial position information related to leases was as follows at:

	<u>Statement of Financial Position Classification</u>	<u>2024</u>	<u>2023</u>
<u>Operating leases:</u>			
Operating lease ROU assets	Right of use asset - leases	\$276,445	\$199,683
<u>Finance leases:</u>			
Finance lease ROU assets	Property and equipment, net		
	Building and improvements	169,430	169,430
	Equipment and fixtures	<u>3,363</u>	<u>3,693</u>
	Property and equipment, net	172,793	173,123
	Less: accumulated depreciation and amortization	<u>64,133</u>	<u>57,790</u>
	Property and equipment, net	<u>\$108,660</u>	<u>\$115,333</u>
<u>Operating leases:</u>			
Current operating lease liabilities	Current lease obligations	\$35,515	\$32,663
Long-term operating leases liabilities	Long-term lease obligations	\$246,598	\$172,147
<u>Finance leases:</u>			
Current finance lease liabilities	Current lease obligations	\$5,147	\$4,640
Long-term finance lease liabilities	Long-term lease obligations	\$144,309	\$149,455

Supplemental Cash Flow and other information related to leases as of and for the years ended June 30 are as follows:

Cash paid for amounts included in the measurement of lease liabilities:	<u>2024</u>	<u>2023</u>
Operating cash flows from operating leases	\$64,870	\$59,443
Operating cash flows from finance leases	\$9,552	\$9,007
Financing cash flows from finance leases	\$9,901	\$8,462
Right-of-use assets obtained in exchange for new finance lease liabilities	\$0	\$35,170
Right-of-use assets obtained in exchange for new operating lease liabilities	\$111,747	\$24,362
Weighted-average remaining lease term:		
Operating leases	9.7 years	7.8 years
Finance leases	20.2 years	21.0 years
Weighted-average, discount rate:		
Operating leases	5.3%	3.9%
Finance leases	6.3%	6.3%

9. LEASES (Continued)

Commitments relating to non-cancellable operating and finance leases obligations for each of the next five years and thereafter are as follows:

	<u>Operating</u>	<u>Lease Obligations</u>
2025	\$48,641	\$14,492
2026	43,726	28,484
2027	40,225	12,140
2028	37,438	12,287
2029	35,750	12,437
Thereafter	<u>161,495</u>	<u>161,275</u>
Total minimum future payments	367,275	241,115
Less: Imputed interest	<u>(85,162)</u>	<u>(91,659)</u>
Total liabilities	282,113	149,456
Less: Current portion	<u>(35,515)</u>	<u>(5,147)</u>
Total Long-term liabilities	<u>\$246,598</u>	<u>\$144,309</u>

10. COMMITMENTS AND CONTINGENCIES

The Organization is involved in litigation and regulatory investigations arising in the course of business. Based on the opinion of in-house legal counsel and risk management, who routinely consult and work with external legal counsel, management estimates that these matters will be resolved without material adverse effect on the Organization's future consolidated financial position or results from operations.

In February 2023, LVHN announced that it had been the target of a criminal cyberattack carried out by the Blackcat ransomware gang. The attack focused on one recently acquired physician practice located in Lackawanna County. On August 20, 2024, the Lackawanna Court of Common Pleas granted preliminary approval of a settlement resolving the data breach litigation. The settlement amount, which is subject to final approval by the Court, is expected to be paid in fiscal year 2025. LVHN recognized expenses related to the incident of \$40,000 and \$0, net of insurance recovery, for the years ended June 30, 2024 and 2023, respectively, which has been included in Other expense on the accompanying Consolidated Statements of Operations.

11. NET ASSETS WITH DONOR RESTRICTIONS

Temporarily restricted net assets were available for the following purposes for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Purchase of capital assets	\$3,842	\$4,550
Specific health care services and education	<u>270,712</u>	<u>247,648</u>
Total temporarily restricted net assets	<u>\$274,554</u>	<u>\$252,198</u>

Permanently restricted net assets, which total \$119,695 and \$106,517 at June 30, 2024 and 2023 respectively, are required to be held in perpetuity with the expendable income earned thereon to be used to support health care services and education.

12. ENDOWMENT FUNDS

Endowment funds are defined as funds established by donors or the Board of Trustees to provide the Organization with either a permanent source of income or a source of income for a specified period of time. The Organization's endowment funds consist of 169 and 165 individual donor-restricted funds at June 30, 2024 and 2023, respectively, established for a variety of purposes hereinafter referred to as the "LVHN Endowment Fund". The Organization does not have Board Designated endowment funds or unrestricted endowment funds.

12. ENDOWMENT FUNDS (Continued)

Interpretation of Relevant Law

The Organization has interpreted Pennsylvania law as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds when explicit donor stipulations requiring permanent maintenance of the historical fair value are present. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, (b) the original value of the subsequent gifts to the permanent endowment when explicit donor stipulations requiring permanent maintenance of the historical fair value are present, and (c) accumulations of investment earnings to the permanent endowment in cases where the donor explicitly instructed a portion of investment earnings be added to the permanent fund. The remaining portion of the donor-restricted endowment funds comprised of accumulated investment earnings not required to be maintained in perpetuity is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with donors' stipulations. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: duration and preservation of the fund, purposes of the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Organization, and the investment policies of the Organization. The Organization had an insignificant number of underwater endowments with a de minimis deficiency at June 30, 2024 and 2023, respectively.

The net asset composition of the LVHN Endowment Fund, which the Organization actively managed was as follows at June 30:

	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>Total</u>
<u>2024</u>			
Donor restricted endowment funds	\$135,727	\$104,862	\$240,589
<u>2023</u>			
Donor restricted endowment funds	\$126,844	\$92,734	\$219,578

Changes in the LVHN Endowment fund net assets were as follows at June 30:

	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>Total</u>
<u>2024</u>			
Endowment net assets, beginning of year	\$126,844	\$92,734	\$219,578
Investment return:			
Investment income	4,592	0	4,592
Net appreciation (realized and unrealized)	<u>15,414</u>	<u>0</u>	<u>15,414</u>
Total investment return	\$20,006	\$0	\$20,006
Contributions	0	12,683	12,683
Reclassification from (to) temporarily and unrestricted net assets	271	(555)	(284)
Appropriation of endowment assets for expenditures (expense)	<u>(11,394)</u>	<u>0</u>	<u>(11,394)</u>
Endowment net assets, end of year	<u>\$135,727</u>	<u>\$104,862</u>	<u>\$240,589</u>

12. ENDOWMENT FUNDS (Continued)

Interpretation of Relevant Law (continued)

<u>2023</u>	Temporarily <u>restricted</u>	Permanently <u>restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$127,614	\$92,036	\$219,650
Investment return:			
Investment income	4,522	0	4,522
Net appreciation (realized and unrealized)	<u>10,633</u>	<u>0</u>	<u>10,633</u>
Total investment return	\$15,155	\$0	\$15,155
Contributions	0	322	322
Reclassification (to) from temporarily and unrestricted net assets	(1)	376	375
Appropriation of endowment assets for expenditures (expense)	<u>(15,924)</u>	<u>0</u>	<u>(15,924)</u>
Endowment net assets, end of year	<u>\$126,844</u>	<u>\$92,734</u>	<u>\$219,578</u>

Investment Return Objectives

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity and assets with donor specified annual spending limitations and, in some cases, purpose restrictions applicable for a specified period of time after which any remaining assets become unrestricted.

Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a diversified manner that is intended to produce results that over the long-term will exceed and average 4 percentage points above the consumer price index while assuming a moderate level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield.

The actual and target investment allocations, by investment category, were as follows for the LVHN Endowment assets at June 30:

	<u>2024</u>		<u>2023</u>	
LVHN Endowment assets	<u>Actual</u>	<u>Target</u>	<u>Actual</u>	<u>Target</u>
Domestic equity	33%	34%	30%	29%
International equity - developed markets	0%	0%	21%	21%
International equity - emerging markets	0%	0%	6%	7%
Non-US equity	23%	23%	0%	0%
Private core real estate	9%	10%	12%	10%
Fixed income	7%	8%	6%	8%
Hedge funds	10%	10%	11%	10%
Multi-asset	14%	15%	14%	15%
Cash	<u>4%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year up to 5 percent of the LVHN Endowment Fund's total fair value, including accumulated total investment returns. In establishing this policy, the Organization considered the long-term expected return on its endowments which is expected to exceed the allowable spending, and therefore over the long-term, the Organization expects its endowment funds to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as, to provide additional real growth through new gifts and investment return.

13. FUNCTIONAL EXPENSES

The Organization provides a wide array of health care services to patients and members of the community within its service area. Expenses related to providing these services, including provision for income taxes, and integration and other non-recurring costs, were as follows for the years ended June 30:

	2024		
	Healthcare	General and	
	<u>services</u>	<u>administrative</u>	<u>Total</u>
Wages	\$1,974,487	\$123,660	\$2,098,147
Benefits	251,809	30,274	282,083
Supplies	890,091	(48)	890,043
Purchased services	453,330	98,360	551,690
Other	353,866	15,973	369,839
Depreciation and amortization	160,549	13,607	174,156
Interest expense	61,792	389	62,181
Bad debt	9,056	0	9,056
Provision for income taxes	719	1,393	2,112
Integration and other non-recurring costs	<u>32,443</u>	<u>0</u>	<u>32,443</u>
Total	\$4,188,142	\$283,608	\$4,471,750

	2023		
	Healthcare	General and	
	<u>services</u>	<u>administrative</u>	<u>Total</u>
Wages	\$1,789,986	\$117,622	\$1,907,608
Benefits	230,042	23,020	253,062
Supplies	818,828	1,662	820,490
Purchased services	480,083	108,903	588,986
Other	281,569	16,222	297,791
Depreciation and amortization	162,946	13,450	176,396
Interest expense	54,295	406	54,701
Bad debt	10,324	40	10,364
Provision for income taxes	(1,222)	(221)	(1,443)
Integration and other non-recurring costs	<u>9,302</u>	<u>0</u>	<u>9,302</u>
Total	\$3,836,153	\$281,104	\$4,117,257

General and administrative expenses include expenses for organizational administrative activities, primarily human resources, management, legal, and financial services.

14. CHARITY CARE

As a community organization, all revenues and gains in excess of expenses and losses of the Organization are, or will be, used for the repayment of debt, acquisition of equipment and facilities, and to provide for the present and future health care needs of the patients and communities it serves. The Organization provides care to patients who meet certain criteria under its financial assistance policy without charge or at amounts less than its established rates regardless of their ability to pay. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenues. The amount of charity care provided to patients for the years ended June 30, 2024 and 2023, at cost, was \$16,066 and \$13,451, respectively. Costs of these services were estimated by calculating a ratio of overall cost to gross charges for all patients and then applying this ratio to gross charges for patients receiving charity care.

15. RECENT ACCOUNTING PRONOUNCEMENTS

From time to time, new accounting guidance is issued by the FASB or other standard setting bodies that is adopted by the Organization as of the effective date or, in some cases where early adoption is permitted, in advance of the effective date. The Organization has assessed the recently issued guidance that is not yet effective and, unless otherwise indicated, believes the new guidance will not have a material impact on its consolidated financial position, results of operations, or cash flows.

16. CERTAIN SIGNIFICANT RISKS AND UNCERTAINTIES

Union and Collective Bargaining

As of June 30, 2024, approximately 5.2% of the Organization's employees are subject to collective bargaining agreements with various unions. There are seven collective bargaining agreements with expiration dates ranging from June 30, 2025 to June 30, 2028.

During fiscal year 2024, four collective bargaining agreements were renegotiated for successor agreements:

- Office and Professional Employees International Union (OPEIU) at LVH-Hazleton, covering 140 registered nurses and technical employees. This agreement is set to expire September 30, 2026.
- Office and Professional Employees International Union (OPEIU) at LVH-Hazleton Home Care, covering 10 home care registered nurses. This agreement is set to expire September 30, 2026.
- Service Employees International Union (SEIU) at LVH-Pocono, covering 326 service and maintenance employees. This agreement is set to expire October 31, 2026.
- American Federation of State, County and Municipal Employees (AFSCME) at LVH-Hazleton, covering 197 service and technical employees. This agreement is set to expire June 30, 2027.

In fiscal year 2025, one collective bargaining agreement is set to expire and will be renegotiated for a successor agreement.

- JNESO at LVH-Pocono, covering 326 registered nurses. This agreement was renegotiated on July 23, 2024 and is now set to expire January 31, 2026.

In fiscal year 2026, one collective bargaining agreement will be renegotiated for successor agreement.

- Service Employees International Union (SEIU) at LVH-Schuylkill, covering 67 service and technical employees. This agreement is set to expire June 30, 2026.

In Fiscal Year 2028, one collective bargaining agreement will be renegotiated for successor agreement:

- Office and Professional Employees International Union (OPEIU) at LVH-Schuylkill, covering 50 registered nurses. This agreement is set to expire June 30, 2028.

17. CARES ACT FUNDING

The Organization recognized FEMA/PEMA funding of \$18 and \$98,000 for the years ended June 30, 2024 and 2023, respectively, which is recorded in Other supporting operations revenue on the Consolidated Statements of Operations. And while the pandemic was declared over effective May 11, 2023, the Organization will continue to apply for reimbursement of costs incurred up to that point but not yet obligated and reimbursed by FEMA.

Based on an analysis of the compliance and reporting requirements of the Provider Relief Fund and the impact of the pandemic on the Organization's operating results through June 30, 2023, the Organization recognized \$98,000 of federal and state funding collectively for the year ended June 30, 2023. These payments are accounted for as government grants and are recognized on a systemic rationale basis and are included in Other supporting operations revenue in the Consolidated Statements of Operations. There is no unrecognized amount of funding included in Other current liabilities in Consolidated Statements of Financial Position.

18. RELATED PARTY TRANSACTIONS

Members of the Board, officers, and employees are subject to the Organization's conflict of interest policies, under which business and financial relationships must be disclosed and are subject to review and approval. A current Board member of Lehigh Valley Hospital and former Board member of LVHN, Lehigh Valley Hospital – Hazleton, and Hazleton Health and Wellness Center also serves as a partner of a property management company, which leases office space to a subsidiary of LVHN, Lehigh Valley Physician Group. The total annual rent was \$119 and \$121 for the years ended June 30, 2024 and 2023, respectively.

19. SUBSEQUENT EVENTS

On August 1, 2024 Jefferson Health Corporation, a subsidiary of Thomas Jefferson University (TJU), became the sole corporate member of LVHN. The TJU board was reconstituted to include members designated by LVHN. The TJU / LVHN business combination is intended to improve the access and quality of the care provided to the communities served by both organizations, to enhance the educational and research missions of TJU and LVHN and to promote the expansion of the Jefferson Health Plan programs into the Lehigh Valley region.

The Organization has evaluated subsequent events through October 8, 2024, the date at which the consolidated financial statements were available to be issued and determined that there are no additional items to disclose.

Lehigh Valley Health Network and Subsidiaries
Consolidating Information Statement of Financial Position
For the Period Ended June 30, 2024
(In Thousands)

	Lehigh Valley Health Network	Lehigh Valley Hospital	Lehigh Valley Hospital Hazleton	Lehigh Valley Hospital Schuylkill	Pocono Health System	Lehigh Valley Hospital Pocono	Obligated Group Eliminations	Obligated Group Sub-Total	Health Network Laboratories	All Other Entities and Adjustments	Network Eliminations	Consolidated Total
Assets												
Current assets:												
Cash and cash equivalents	\$1,815	\$11,371	\$11,912	\$9,927	\$0	\$12,458	\$0	\$47,483	\$45,817	\$126,666	\$0	\$219,966
Patient accounts receivable	0	333,295	29,373	14,802	0	53,618	0	431,088	9,003	70,113	0	510,204
Other accounts receivable	948	109,664	9	5,804	0	4,446	0	120,871	104	32,392	(26,056)	127,311
Other current assets	0	119,862	4,201	3,304	0	12,706	0	140,073	13,365	32,024	(147)	185,315
Due from (to) affiliates	69,728	236,663	103,563	3,631	0	373,826	(643,638)	143,773	14,382	133,971	(292,126)	0
Total current assets	72,491	810,855	149,058	37,468	0	457,054	(643,638)	883,288	82,671	395,166	(318,329)	1,042,796
Assets whose use is limited or restricted	2,176	900,360	166,178	10,763	0	215,416	0	1,294,893	314,696	349,908	0	1,959,497
Property and equipment, net	0	1,219,526	74,312	58,092	0	179,979	0	1,531,909	51,665	209,230	0	1,792,804
Due from (to) affiliates	155,118	97,296	0	0	0	3,416	(20,891)	234,939	0	75,517	(310,456)	0
Right of use asset - leases	0	186,010	25,811	36	0	29,534	(266)	241,125	4,551	102,164	(71,395)	276,445
Partnership investments	23,099	69,223	468	2,868	0	7,553	0	103,211	5	(78,582)	(20)	24,614
Goodwill and intangible assets, net	7,092	75,126	1,877	46,620	0	0	0	130,715	7,594	49,864	0	188,173
Other noncurrent assets	0	108,911	1,052	500	0	500	0	110,963	3,145	42,420	0	156,528
Total noncurrent assets	187,485	2,656,452	269,698	118,879	0	436,398	(21,157)	3,647,755	381,656	750,521	(381,871)	4,398,061
Total assets	\$259,976	\$3,467,307	\$418,756	\$156,347	\$0	\$893,452	(\$664,795)	\$4,531,043	\$464,327	\$1,145,687	(\$700,200)	\$5,440,857
Liabilities and net assets (deficit)												
Current liabilities:												
Due to (from) affiliates	259,277	449,467	3,649	31,634	0	28,265	(643,638)	128,654	25,128	138,344	(292,126)	0
Pension	0	8,600	412	743	0	838	0	10,593	714	8,655	0	19,962
Current portion of long-term debt	0	75,427	22,056	0	0	3,553	0	101,036	1,105	2,993	0	105,134
Current capital lease obligations	0	5,058	0	0	0	0	0	5,058	0	35,604	0	40,662
Current operating leases obligations	0	22,374	2,130	35	0	3,761	(182)	28,118	1,507	(12,525)	(17,100)	0
Other current liabilities	1,068	308,126	11,697	10,783	0	25,394	1	357,069	13,678	156,273	1,095	528,115
Total current liabilities	260,345	869,052	39,944	43,195	0	61,811	(643,819)	630,528	42,132	329,344	(308,131)	693,873
Long-term debt, net of current portion	0	895,406	37,648	55,180	0	158,365	0	1,146,599	27,987	29,006	0	1,203,592
Long-term capital lease obligations	0	144,063	0	0	0	0	0	144,063	0	246,844	0	390,907
Long-term operating lease obligations	0	167,827	23,984	0	0	26,154	(85)	217,880	3,100	(164,801)	(56,179)	0
Deferred compensation and other liabilities	0	21,865	1,670	946	0	6,955	0	31,436	8,747	145,967	0	186,150
Pension	0	196	517	885	0	0	0	1,598	0	(11)	0	1,587
Professional liability	0	92,084	1,829	2,579	0	4,265	0	100,757	0	65,300	0	166,057
Due to (from) affiliates	20,891	59,371	0	113	0	0	(20,891)	59,484	0	250,972	(310,456)	0
Derivative instruments	0	1,527	0	0	0	38	0	1,565	0	0	0	1,565
Other liabilities	0	34,529	0	375	0	4,074	0	38,978	0	15,410	(26,056)	28,332
Total liabilities	281,236	2,285,920	105,592	103,273	0	261,662	(664,795)	2,372,888	81,966	918,031	(700,822)	2,672,063
Net assets (deficit):												
Without donor restrictions:												
Lehigh Valley Health Network and Subsidiaries	(21,260)	885,724	311,881	44,099	0	631,790	0	1,852,234	382,361	97,691	622	2,332,908
Noncontrolling interests in subsidiaries	0	0	0	0	0	0	0	0	0	41,637	0	41,637
Total net assets (deficit) without donor restrictions	(21,260)	885,724	311,881	44,099	0	631,790	0	1,852,234	382,361	139,328	622	2,374,545
With donor restrictions	0	295,663	1,283	8,975	0	0	0	305,921	0	88,328	0	394,249
Total net assets (deficit)	(21,260)	1,181,387	313,164	53,074	0	631,790	0	2,158,155	382,361	227,656	622	2,768,794
Total liabilities and net assets (deficit)	\$259,976	\$3,467,307	\$418,756	\$156,347	\$0	\$893,452	(\$664,795)	\$4,531,043	\$464,327	\$1,145,687	(\$700,200)	\$5,440,857

See accompanying independent auditors' report

Lehigh Valley Health Network and Subsidiaries
Consolidating Information Statement of Operations
For the Period Ended June 30, 2024
(In Thousands)

Patient services and supporting operations

	Lehigh Valley Health Network	Lehigh Valley Hospital	Lehigh Valley Hospital Hazleton	Lehigh Valley Hospital Schuylkill	Pocono Health System	Lehigh Valley Hospital Pocono	Obligated Group Eliminations	Obligated Group Sub-Total	Health Network Laboratories	All Other Entities and Adjustments	Network Eliminations	Consolidated Total
Revenues												
Net patient service revenue	\$0	\$3,019,743	\$181,344	\$149,413	\$0	\$478,497	(\$53,400)	\$3,775,597	\$222,712	\$604,569	(\$289,605)	\$4,313,273
Other supporting operations revenue	9,861	196,742	4,160	3,128	(21)	15,492	(\$518)	228,844	3,164	377,153	(455,926)	153,235
Net assets released from restrictions used for operations	0	16,530	88	18	0	337	0	16,973	0	2,637	0	19,610
Total revenues	9,861	3,233,015	185,592	152,559	(21)	494,326	(\$3,918)	4,021,414	225,876	984,359	(745,531)	4,486,118
Expenses												
Salaries and wages	0	929,459	42,891	58,637	0	108,831	0	1,139,818	82,605	875,724	0	2,098,147
Benefits	0	323,629	13,761	21,089	0	35,496	(\$53,310)	340,665	30,963	52,593	(142,138)	282,083
Supplies	0	636,644	26,458	19,044	0	82,602	0	764,748	49,420	75,906	(31)	890,043
Purchased services	35	959,189	39,947	23,546	0	79,703	(\$608)	1,101,812	29,880	(6,784)	(573,218)	551,690
Other	192	270,002	9,119	9,020	0	20,984	0	309,317	8,415	80,657	(28,550)	369,839
Depreciation and amortization	92	124,505	3,726	4,395	0	13,772	0	146,490	9,976	17,690	0	174,156
Interest expense	0	48,749	2,581	2,508	0	6,654	0	60,492	389	1,307	(7)	62,181
Bad debt	0	4,786	514	339	0	2,096	0	7,735	0	1,321	0	9,056
Total expenses before integration and other non-recurring costs	319	3,296,963	138,997	138,578	0	350,138	(\$3,918)	3,871,077	211,648	1,098,414	(743,944)	4,437,195
Integration and other non-recurring costs	0	28,955	264	597	0	486	0	30,302	295	1,846	0	32,443
Operating income	9,542	(92,903)	46,331	13,384	(21)	143,702	0	120,035	13,933	(115,901)	(1,587)	16,480
<u>Other nonoperating gains and losses</u>												
Realized and unrealized investment gains	0	76,599	17,475	67	0	21,932	0	116,073	32,600	11,171	0	159,844
Change in net unrealized gains (losses) on swaps	0	711	0	0	0	(38)	0	673	0	1	0	674
Other nonoperating gains (losses)	0	3,559	194	317	0	328	0	4,398	283	1,004	(2)	5,683
Other nonoperating gains and (losses), net	0	80,869	17,669	384	0	22,222	0	121,144	32,883	12,176	(2)	166,201
Excess (deficit) of revenues and gains over expenses and losses before income taxes	9,542	(12,034)	64,000	13,768	(21)	165,924	0	241,179	46,816	(103,725)	(1,589)	182,681
Provision for income taxes	0	(2,163)	0	0	0	(137)	0	(2,300)	0	188	0	(2,112)
Excess (deficit) of revenues and gains over expenses and losses before noncontrolling	9,542	(14,197)	64,000	13,768	(21)	165,787	0	238,879	46,816	(103,537)	(1,589)	180,569
Noncontrolling interests	0	0	0	0	0	0	0	0	0	(29,155)	(88)	(29,243)
Excess (deficit) of revenues and gains over expenses and losses attributed to Lehigh Valley Health Network and Subsidiaries	9,542	(14,197)	64,000	13,768	(21)	165,787	0	238,879	46,816	(132,692)	(1,677)	151,326
<u>Other changes in net assets without donor restrictions</u>												
Net assets released from restrictions - capital acquisitions	0	3,436	0	263	0	8	0	3,707	0	473	0	4,180
Gain (loss) on JV dissolution	1,181	(220,591)	(11,454)	0	0	0	0	(230,864)	0	206	232,138	1,480
Contribution (to)/from	(6,708)	(99,856)	1,282	0	(10,701)	10,033	0	(105,950)	0	105,950	0	0
Contribution (to)/from LVH-Pocono	0	(8,775)	0	0	0	(2,353)	0	(11,128)	0	11,128	0	0
Adjustment to funded status of pension plans	0	(20,895)	430	(62)	0	0	0	(20,527)	0	1	0	(20,526)
Equity transfers to affiliates	(85,100)	(223,100)	4,129	0	0	(2,500)	0	(306,571)	0	306,571	0	0
Change in noncontrolling interests	0	0	0	0	0	0	0	0	0	9,796	(12,060)	(2,264)
Change in net unrealized (losses) on investments	0	(25,447)	(1,537)	0	0	(964)	0	(27,948)	(2,290)	(1,042)	0	(31,280)
(Decrease) increase in net assets without donor restrictions	(\$81,085)	(\$609,425)	\$56,850	\$13,969	(\$10,722)	\$170,011	\$0	(\$460,402)	\$44,576	\$300,391	\$218,401	\$102,916

See accompanying independent auditors' report

APPENDIX C

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SERIES 2024B-1 TRUST INDENTURE	
	between
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY	as Authority
	and
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	as Trustee
Dated as of November 1, 2024	
	relating to
	\$[]
Pennsylvania Higher Educational Facilities Authority	
Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1	

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SERIES 2024B-1 TRUST INDENTURE

THIS SERIES 2024B-1 TRUST INDENTURE (as from time to time amended or supplemented in accordance with the terms hereof, this “Bond Indenture”), dated as of November 1, 2024 is between PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) and a public body corporate and politic organized and existing under the laws of the Commonwealth, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America and being qualified to accept and administer the trusts hereby created (together with any successors, the “Bond Trustee”).

W I T N E S S E T H:

WHEREAS, the Authority is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth, created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”) for the purposes of, inter alia, acquiring, constructing, improving, maintaining, operating and financing higher educational facilities; and

WHEREAS, Thomas Jefferson University (“TJU”) is a nonprofit corporation organized under the laws of the Commonwealth; and

WHEREAS, the Authority has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a “college”, with the rights and powers, inter alia, (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, and (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act; and

WHEREAS, the Authority has deemed TJU to be a “college” within the meaning of the Act; and

WHEREAS, the Authority, at the request of and on behalf of TJU, and certain of its affiliates, has determined to issue its \$[] aggregate principal amount Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 (the “Series 2024B-1 Bonds” or “Bonds”) pursuant to this Bond Indenture; and

WHEREAS, at the request of TJU, the Authority has undertaken a project (the “Project”) consisting of:

(a) the payment of (or the reimbursement to TJU for) the costs of: (i) the acquisition, installation and implementation of a patient electronic records system; (ii) certain renovation, construction, improvement, expansion, fit-out, and equipment costs of and other capital expenditures for the Emergency Department at Lehigh Valley Hospital-Muhlenberg, located at 2545 Schoenersville Road, Bethlehem, PA 18017; (iii) certain renovation, construction,

improvement, fit-out, and equipment costs of and other capital expenditures for facilities located within the boundaries of 12th Street, Filbert Street, 7th Street and Spruce Street, Philadelphia, PA 19107; (iv) certain renovation, construction, improvement, fit-out, and equipment costs of and other capital expenditures of the Family Birth and Newborn Center at Lehigh Valley Hospital-Pocono located at 206 E Brown Street, East Stroudsburg, PA 18301; and (v) the acquisition, construction, renovation, improvement, fit-out, and equipment costs of and other capital expenditures for educational and/or health care facilities located at 1107 Grosser Road, Gilbertsville, PA 19525 (collectively, the “Capital Project”);

(b) the payment of (or the reimbursement to TJU for) the costs of the acquisition by TJU of its sole corporate membership interest in Lehigh Valley Health Network, Inc. (“LVHN”) related to the payment or defeasance of all or a portion of the following indebtedness previously issued for the benefit of LVHN (collectively, the “Prior LVHN Bonds”): (i) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series A of 2015 issued in the original aggregate principal amount of \$75,000,000 (the “LVHN 2015A Bonds”); (ii) Lehigh County General Purpose Authority Hospital Revenue Refunding Bonds (Lehigh Valley Health Network), Series A of 2016 issued in the original aggregate principal amount of \$139,275,000 (the “LVHN 2016A Bonds”); (iii) City of Pottsville Hospital Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series B of 2016 issued in the original aggregate principal amount of \$53,255,000 (the “LVHN 2016B Bonds”); (iv) Monroe County Hospital Authority Hospital Revenue Bonds (Pocono Medical Center), Series of 2016 issued in the original aggregate principal amount of \$58,320,000 (the “LVHN 2016 Pocono Bonds”); (v) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network) Series A of 2019 issued in the original aggregate principal amount of \$418,120,000 (the “LVHN 2019A Bonds”); and (vi) Carbon County Hospital Authority Hospital Revenue Bonds, Series 2022B (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of up to \$42,500,000 (the “LVHN 2022B Bonds”);

(c) the current refunding of a portion of the Thomas Jefferson University Taxable Revenue Bonds, Series 2022A issued in the original aggregate principal amount of \$590,155,000 (the “TJU 2022A Bonds” and, together with the Prior LVHN Bonds, the “Refunded Bonds”);

(d) the funding of amounts for other general corporate purposes of TJU and its affiliates;

(e) [the payment of the costs associated with credit enhancement, if any]; and

(f) the payment of issuance costs and expenses incident to the financing; and

WHEREAS, the Authority has designated the Project as a “project” under the Act, and has undertaken, at the request of TJU, the financing of a portion of the costs of the Project pursuant to a Series 2024B-1 Loan Agreement dated as of November 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan Agreement”), between the Authority and TJU (in such capacity, the “Borrower”); and

WHEREAS, as further security for the Bonds, TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to

the Bond Trustee a master note under the Master Indenture (as defined herein) in an aggregate principal amount equal to \$[] (the “Master Note”); and

WHEREAS, in order to provide for the issuance, authentication and delivery of the Bonds from time to time, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, Redemption Price and Purchase Price thereof and interest thereon, the Authority has authorized the execution and delivery of this Bond Indenture; and

WHEREAS, the Bonds and the Bond Trustee’s certificate of authentication to appear thereon, and assignment to appear thereon, shall be in substantially the form set forth in Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Bond Indenture; and

WHEREAS, the Series 2024B-1 Bonds will initially be issued in the Fixed Mode for the Initial Fixed Period subject to the terms and conditions hereof and of the Fourth Supplement (as defined herein); and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal special limited obligations of the Authority, and to constitute this Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Bond Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS BOND INDENTURE WITNESSETH, that in order to secure the payment of the principal, Purchase Price and Redemption Price of and interest on all Bonds at any time issued and outstanding under this Bond Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Bond Trustee, for the benefit of the Owners from time to time of the Bonds, as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions.

Except as hereinafter provided, the terms used in this Bond Indenture shall have the same meanings as set forth in the Master Indenture. In addition to the words and terms defined in the Master Indenture or elsewhere in this Bond Indenture, the following words and terms as used in this Bond Indenture or the Loan Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Act” has the meaning set forth in the recitals hereto.

“Additional Funding Amount” has the meaning ascribed thereto in Section 4.10(d)(ii) hereof.

“Additional Payments” means the payments so designated and required to be made by the Borrower pursuant to Section 4.02 of the Loan Agreement.

“Administrative Fees and Expenses” means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Bond Trustee.

“Agency Obligations” means obligations of (a) Federal Home Loan Mortgage Corp., (b) Farm Credit System, (c) Federal Home Loan Banks, (d) Federal National Mortgage Association, (e) Student Loan Marketing Association, (f) Financing Corp., (g) Resolution Funding Corp. (as to interest only), (h) U.S. Maritime Administration, (i) U.S. Department of Housing, and (j) General Services Administration.

“Alternate Credit Facility” means a Credit Facility issued to replace an existing Credit Facility in accordance with Section 4.20 hereof; provided, however, that any amendment, extension, renewal or substitution of the Credit Facility then in effect for the purpose of extending the Expiration Date of such Credit Facility or modifying such Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this Bond Indenture.

“Alternate Liquidity Facility” means a Liquidity Facility issued to replace an existing Liquidity Facility in accordance with Section 4.19 hereof and any amendment or assignment of a Liquidity Facility which results in a change in the Liquidity Facility Provider; provided, however, that any amendment or extension of the Liquidity Facility for the purpose of extending the Expiration Date of such Liquidity Facility or modifying such Liquidity Facility shall not constitute an Alternate Liquidity Facility for purposes of this Bond Indenture, unless such modification makes any material change to the immediate termination events or suspension events of such Liquidity Facility.

“Applicable Factor” means during any Direct Purchase Period, a percentage designated by the Market Agent (which shall be a percentage between 65.1% and 135%), or, with a Favorable Opinion of Bond Counsel, such other percentage as may be designated as the Applicable Factor for such Direct Purchase Period pursuant to Section 2.13 hereof; provided, however, that the Applicable Factor shall not be applicable to the SIFMA Index.

“Applicable Spread” means, with respect to each Direct Purchase Period, the number of basis points determined on or before the first day of such Direct Purchase Period and designated in writing by the Borrower, the Market Agent or the Direct Purchaser in accordance with Section 2.13 hereof (which may include a schedule for the Applicable Spread based upon the ratings assigned to the unenhanced, long term debt of the Obligated Group) that, when added to the product of (x) the Direct Purchase Index multiplied by (y) the Applicable Factor, would equal the minimum interest rate per annum that would enable the Direct Purchase Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

“Authority” has the meaning attributed to it in the initial paragraph of this Bond Indenture.

“Authorized Denominations” means with respect to any (a) Long Term Period, FRN Period or Fixed Period, including the Initial Fixed Period, \$5,000 and any integral multiple thereof; (b) Direct Purchase Period, either \$5,000 and any integral multiple in excess thereof, or \$250,000 and any integral multiple of \$5,000 in excess of \$250,000, in all such denominations as may be directed by the Direct Purchaser; and (c) Short Term Period, Two Day Period, VRO Interest Rate Period, Window Period, Weekly Period, Daily Period or Flexible Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000.

“Authority Indemnified Parties” means, individually and collectively, the Authority, and each of their past, present, and future directors, members, officers, employees, counsel, advisors, contractors, consultants and agents, individually and collectively.

“Authorized Representative” means, (a) with respect to the Authority, the President, the Vice President or Secretary, or any other person at the time designated to act on behalf of the Authority by written certificate furnished to the Bond Trustee and signed on behalf of the Authority by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document, and (b) with respect to the Borrower, its chief executive officer, president, chief financial officer, chief legal officer, secretary, assistant secretary, treasurer, SVP Finance, Chief Investment Officer and Treasurer or any other person designated as an Authorized Representative of the Borrower by a Certificate of the Borrower signed by its chief executive officer, president, or chief financial officer and filed with the Bond Trustee.

“Bank Bonds” means any Credit Facility Bonds or Liquidity Facility Bonds.

“Beneficial Owner” means any Person which (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including any Person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Bond Counsel” or “Co-Bond Counsel” means counsel appointed by the Office of General Counsel at the request of the Borrower of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Indenture” means this Series 2024B-1 Trust Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Bond Indenture or otherwise in accordance with the terms hereof.

“Bond Purchase Agreement” means that certain Bond Purchase Agreement dated [____], 2024, among the Authority, the Borrower and J.P. Morgan Securities LLC, as representative of itself and the other underwriters identified therein.

“Bond Purchase Fund” means the fund by that name established pursuant to Section 4.10(a)(i) of this Bond Indenture.

“Bond Sinking Fund” means the fund by that name established pursuant to Section 5.05 of this Bond Indenture.

“Bond Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and, subject to the limitations contained in Section 8.01, any successor or successors to said trustee in the trusts created hereunder.

“Bonds” or “Series 2024B-1 Bonds” has the meaning set forth in the recitals hereto.

“Bondholder Agreement” means during a Direct Purchase Period, any continuing covenant agreement, bondholder agreement or similar agreement between the Borrower and a Direct Purchaser.

“Borrower” means Thomas Jefferson University, a nonprofit corporation organized under the law of the Commonwealth, or any corporation that is the surviving, resulting, or transferee corporation in any merger, consolidation or transfer of all or substantially all assets permitted under the Master Indenture.

“Borrower Documents” means the Master Note, the Master Indenture, the Loan Agreement, the Continuing Disclosure Agreement and the Bond Purchase Agreement.

“Borrower Elective Purchase Date” means the date designated by the Borrower for the purchase of Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds pursuant to Section 4.07(g) of this Bond Indenture.

“Borrower Purchase Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Business Day” means any day on which banks located in the city in which draws on any Credit Facility or Liquidity Facility are to be presented, the city in which the Corporate Trust Office of the Bond Trustee is located, the city where the office of the Remarketing Agent is located or, with respect to Bonds in the Direct Purchase Mode, the FRN Mode or the Window Mode, the city in which the Calculation Agent is located, are not required or authorized to be closed and on which The New York Stock Exchange or the Federal Reserve Bank is open.

“Calculation Agent” means (a) during a Direct Purchase Period, the Direct Purchaser or any affiliate thereof during such Direct Purchase Period, or any Person, financial institution or financial advisory firm appointed by the Borrower, with the consent of the Direct Purchaser to serve as Calculation Agent for the Bonds, and any successor or replacement thereof, and (b) during the FRN Mode or the Window Mode, any Person, financial institution or financial advisory firm appointed by the Borrower prior to a Conversion to any such interest rate mode to serve as Calculation Agent for the Bonds and any successor or replacement thereof.

“Capital Project” has the meaning set forth in the recitals hereto.

“Certificate,” “Statement,” “Request” and “Requisition” of the Authority or the Borrower means, respectively, a written certificate, statement, request or requisition signed in the name of

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

“Closing Statement” has the meaning set forth in Section 3.02(b) hereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations relating to such section, including temporary and proposed regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

“Combined Group Agent” means TJU, or such other Combined Group Agent designated under the Master Indenture.

“Commonwealth” means the Commonwealth of Pennsylvania.

“Completion Certificate” means a certificate or written confirmation provided by the Borrower to the Bond Trustee that the Capital Project has been completed.

“Consumer Price Index” or “CPI-U” means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers as released monthly by the U.S. Department of Labor, Bureau of Labor Statistics. If a previously reported CPI-U index rate is revised, the CPI-U will continue to be the previously reported CPI-U for purposes of calculating interest payments. If CPI-U is rebased to a different year during a FRN Interest Rate Period or Direct Purchase Interest Rate Period, Bonds using the CPI-U will continue to use the CPI-U based on the base reference year in effect on the first day of such FRN Interest Rate Period or Direct Purchase Interest Rate Period. If the applicable methodology for computing the CPI-U in effect on the first day of the then-current FRN Interest Rate Period or Direct Purchase Interest Rate Period is discontinued or altered and if the U.S. Treasury, in response to such discontinuance or alteration, substitutes an alternative index, and associated method of application (“*Substitute Index and Methodology*”), for the CPI-U for purposes of calculation of the inflation adjustment for the Treasury Inflation-Protection Securities, Bonds using the CPI-U will use the Substitute Index and Methodology for calculating the FRN Rate or Direct Purchase Rate for such Bonds. Typically, the CPI-U for a particular month is reported by the last date of the following month. If the CPI-U for a particular month is not reported by the last day of the following month, the U.S. Treasury has indicated it will announce an index number based on the last available twelve-month change in the CPI-U. Any calculations of interest on the Bonds that rely on that month’s CPI-U will be based on the index number that the U.S. Treasury has announced. This index number will be used for all subsequent calculations that rely on that month’s index number and will not be replaced by the actual CPI-U when it is reported.

“Continuing Disclosure Agreement” means any continuing disclosure agreement or certificate executed by the Borrower with respect to the Bonds and which complies with Securities and Exchange Commission Rule 15c2-12.

“Conversion” means a conversion of all or a portion of the Bonds from one Interest Rate Mode to one or more other Interest Rate Modes in accordance with the terms and provisions of Section 2.15 of this Bond Indenture and shall also include; (a) a conversion from any Direct Purchase Period to the next Direct Purchase Period; (b) a conversion of the FRN Bonds into a new FRN Interest Rate Period; (c) a conversion from one Fixed Period to a new Fixed Period; (d) a conversion from any Short Term Interest Rate Period to a new Short Term Interest Rate Period; (e) a conversion from any Long Term Interest Rate Period to a new Long Term Interest Rate Period; and (f) a conversion from one Flexible Rate Period to a new Flexible Rate Period.

“Conversion Date” means the effective date of a Conversion of the Bonds or a portion of the Bonds.

“Corporate Trust Office” means the office of the Bond Trustee at which its corporate trust business is conducted, which at the date hereof is located at 1735 Market Street, AIM 193-0650, Philadelphia, PA 19103; provided, however, that for purposes of the surrender or presentation of Bonds for payment, transfer or exchange, the Corporate Trust Office shall be the designated corporate trust or operations office of the Bond Trustee.

“Cost” means and shall include, without limiting or restricting any proper definition of such term under the provisions of law, including the Act, all costs of acquisition, construction, renovation and equipping and all obligations and expenses and all items of cost which are permitted to be financed under the Act.

“Credit Facility” means a letter of credit, loan, guarantee, bond insurance policy, or similar credit facility issued by a Credit Facility Provider which, by its terms, shall secure the payment of principal of and interest on the Bonds, and delivered to the Bond Trustee in accordance with Section 5.06 of the Loan Agreement or, in the event of the delivery of an Alternate Credit Facility, such Alternate Credit Facility. A Credit Facility may also serve the function of a Liquidity Facility.

“Credit Facility Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Credit Facility Agreement” means any reimbursement or similar agreement pursuant to which a Credit Facility Provider issues or provides a Credit Facility.

“Credit Facility Bonds” means Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Credit Facility, but excluding Bonds no longer considered to be Credit Facility Bonds in accordance with the terms of the applicable Credit Facility.

“Credit Facility Provider” means the commercial bank, bond insurer, or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Facility then in effect.

“Credit Facility Rate” means the rate per annum, if any, specified in a Credit Facility as applicable to Credit Facility Bonds, which shall not exceed the Maximum Interest Rate, subject to the terms of the related Credit Facility.

“Daily Bonds” means Bonds that bear interest at Daily Rates.

“Daily Interest Rate Period” means each day during the Daily Period for which a particular Daily Rate is in effect.

“Daily Mode” means the Interest Rate Mode during which the Bonds are Daily Bonds.

“Daily Period” means the entire period during which Bonds constitute Daily Bonds, which Daily Period shall generally be comprised of multiple Daily Interest Rate Periods, during which Daily Rates are in effect.

“Daily Rate” means the interest rate per annum on Daily Bonds determined on a daily basis as provided in Section 2.04 of this Bond Indenture.

“Daily Simple SOFR” means with respect to any day, the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Date of Issuance” means November ___, 2024.

“Default Rate” means, with respect to the Initial Fixed Period, not applicable; and during any other Interest Rate Period, the Default Rate, if any, as defined in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Defeasance Obligations” means, unless modified by the terms of a particular Supplemental Indenture, (a) noncallable, nonprepayable United States Government Obligations, (b) evidences of ownership of a proportionate interest in specified noncallable, nonprepayable United States Government Obligations, which United States Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (c) Defeased Municipal Obligations, (d) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, (e) noncallable, nonprepayable Agency Obligations, and (f) noncallable, nonprepayable stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by the U.S. Treasury and the interest-only portion of Resolution Funding Corp. securities is stripped by the Federal Reserve Bank of New York or the U.S. Treasury.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers rated in the highest rating by S&P and Moody’s, provision for the payment of the principal of and interest on which shall have been made or provided for by irrevocable deposit with a trustee or escrow agent of (a) Defeasance Obligations, (b) evidences of ownership of a proportionate interest in Defeasance Obligations, which Defeasance Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, (c) noncallable, non-prepayable Agency Obligations, or (d) noncallable, non-prepayable stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by the U.S. Treasury and the interest-only portion of Resolution Funding Corp. securities is stripped by the Federal Reserve Bank of New York or the U.S. Treasury, the maturing principal of and interest on which when due and payable, without any

reinvestment thereof, will provide sufficient money to pay the principal of and interest and any premium on such obligations of state or local government municipal bond issuers, and for which Defeased Municipal Obligations a specific call date has been established or for which the issuer has waived the ability to call such Defeased Municipal Obligations prior to a date certain.

“Determination of Taxability” means if legislation is enacted, final regulations are promulgated, a final ruling or decision is made by a judicial or administrative authority, a written assertion or claim is made by the IRS which is not stayed, or nationally recognized Bond Counsel shall have delivered a written opinion (provided the Borrower shall have had the opportunity to consult with such counsel as to the basis of such opinion and challenge such opinion as appropriate), to the effect that the interest on the Bonds is includable in the gross income of the Holder for federal income tax purposes; or as otherwise defined in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Differential Interest Amount” means, upon remarketing of a Liquidity Facility Bond or a Credit Facility Bond by the Remarketing Agent pursuant to Section 4.13(b), the excess of (a) interest which has accrued at the Liquidity Facility Rate or the Credit Facility Rate, as applicable, up to but excluding the remarketing date of the Bond, over (b) the interest accrued on such Bond which is received by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, from the Remarketing Agent as part of the Purchase Price.

“Direct Purchase Bonds” means Bonds that bear interest at a Direct Purchase Rate, and any Unremarketed Bonds, if any.

“Direct Purchase Index” means during any Direct Purchase Period, Daily Simple SOFR, Term SOFR, the SIFMA Index, the Consumer Price Index or, with a Favorable Opinion of Bond Counsel, such other index as may be designated by the Market Agent as the Direct Purchase Index for such Direct Purchase Period pursuant to Section 2.13 hereof.

“Direct Purchase Interest Rate Period” means each period during the Direct Purchase Period for which a particular Direct Purchase Rate is in effect.

“Direct Purchase Mode” means the Interest Rate Mode during which the Bonds bear interest at the Direct Purchase Rate and during which any Unremarketed Bonds, if any, remain Outstanding.

“Direct Purchase Period” means the entire period during which Bonds constitute Direct Purchase Bonds, which Direct Purchase Period shall generally be comprised of multiple Direct Purchase Interest Rate Periods, during which Direct Purchase Rates are in effect. A Direct Purchase Period shall also include any period during which any Unremarketed Bonds remain Outstanding.

“Direct Purchase Period Earliest Redemption Date” means during any Direct Purchase Period, the date or dates on which Direct Purchase Bonds are subject to optional redemption during the applicable Direct Purchase Period, as established by the Borrower, the Market Agent or the Direct Purchaser and as set forth in the applicable Bondholder Agreement or in Section 2.13 hereof.

“Direct Purchase Rate” means the interest rate per annum on Direct Purchase Bonds determined on a periodic basis as provided in Section 2.13 of this Bond Indenture.

“Direct Purchase Rate Determination Date” means during any Direct Purchase Period, such date established as such by the Borrower, the Market Agent or the Direct Purchaser as set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Direct Purchase Rate Mandatory Purchase Date” means the first day following the last day of each Direct Purchase Period, or any other date established as such in a Supplemental Bond Indenture or Bondholder Agreement.

“Direct Purchaser” means, during any Direct Purchase Period, the Holder of the Direct Purchase Bonds, if there is a single Holder of all of the Direct Purchase Bonds and provided, however, that the Bonds are not then held under the book-entry system. If there is more than one Holder of the Direct Purchase Bonds, “Direct Purchaser” means the Holder owning a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or if no Holder owns such majority, then the Holder holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding. If the Direct Purchase Bonds are then held under the book-entry system, “Direct Purchaser” means the Beneficial Owner of the Direct Purchase Bonds, if there is a single Beneficial Owner of all of the Direct Purchase Bonds. If there is more than one Beneficial Owner of the Direct Purchase Bonds, “Direct Purchaser” means the Beneficial Owner who is the Beneficial Owner of a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or if no Beneficial Owner owns such majority, then the Beneficial Owner holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding.

“DTC” means The Depository Trust Company.

“Electronic Means” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

“Electronic Notice” means a notice transmitted through Electronic Means.

“Eligible Bonds” means any Bonds bearing interest at a Daily Rate or a Weekly Rate other than Liquidity Facility Bonds, Credit Facility Bonds or Bonds owned by, for the account of, or on behalf of, the Authority or the Borrower.

“Eligible Moneys” means:

(a) Bond proceeds deposited with the Bond Trustee contemporaneously with the issuance and sale of the Bonds and which are continuously thereafter held subject to the lien of this Bond Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which are not Eligible Moneys are at any time held;

(b) moneys (i) paid or deposited by the Borrower to or with the Bond Trustee, (ii) held in any fund, account or subaccount established hereunder in which no other

moneys which are not Eligible Moneys are held and (iii) which have so been on deposit with the Bond Trustee for at least 124 consecutive days from their receipt by the Bond Trustee if the Borrower is the sole Member of the Obligated Group or at least 367 consecutive days from their receipt by the Bond Trustee if there is more than one Member of the Obligated Group, or if such funds are provided by an Insider (within the meaning of Title 11 of the United States Bankruptcy Code), with respect to the Borrower, during and prior to which period no petition by or against the Authority, the Borrower or any such Insider under any bankruptcy or similar law now or hereafter in effect shall have been filed and no bankruptcy or similar proceeding otherwise initiated (unless such petition or proceeding shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys;

(c) moneys received by the Bond Trustee from any payment under a Credit Facility or a Liquidity Facility which are held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held, together with investment earnings on such moneys;

(d) proceeds from the remarketing of any Bonds pursuant to the provisions of this Bond Indenture to any person other than the Authority, the Borrower, or any Insider;

(e) proceeds from the issuance and sale of refunding bonds, together with the investment earnings on such proceeds, if there is delivered to the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) at the time of issuance and sale of such refunding bonds an opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Bond is an Insider) to the effect that the use of such proceeds and investment earnings to pay the principal or Redemption Price of or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Authority or the Borrower become a debtor in a proceeding commenced thereunder; and

(f) moneys which are derived from any source, including without limitation moneys from the Borrower, together with the investment earnings on such moneys, if the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) has received an unqualified opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Bonds is an Insider) to the effect that payment of such amounts to a holder of a Bond would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Authority or the Borrower become a debtor in a proceeding commenced thereunder;

provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment. For the purposes of this definition, the term “moneys” shall include cash and any Qualified Investments.

“EMMA” means the Electronic Municipal Market Access internet website maintained by the Municipal Securities Rulemaking Board, or any successor designated by the Municipal Securities Rulemaking Board.

“Event of Default” means any of the events specified in Section 7.01.

“Event of Taxability” means any act, omission or event that results in the interest paid or payable on any Bond being includable for federal income tax purposes in the gross income of any owner.

“Expenses Account” means the Expenses Account in the Project Fund created by Section 5.02 of this Trust Indenture.

“Expiration Date” means (i) the date upon which a Liquidity Facility or Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date by virtue of extensions of a particular Liquidity Facility or Credit Facility, from time to time) in accordance with its terms, including without limitation termination upon delivery of an Alternate Liquidity Facility or an Alternate Credit Facility to the Bond Trustee and (ii) the date upon which a Liquidity Facility Agreement terminates following voluntary termination by the Borrower pursuant to Section 5.06 of the Loan Agreement and the terms of the related Liquidity Facility or Credit Facility.

“Favorable Opinion of Bond Counsel” means an opinion of Co-Bond Counsel, addressed to the Authority, the Remarketing Agent, if any, the Direct Purchaser, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Borrower and the Bond Trustee, to the effect that the action proposed to be taken is authorized or permitted or not prohibited by or in contravention of this Bond Indenture and will not, in and of itself, result in the inclusion of interest on the Series 2024B-1 Bonds in gross income of the Holders thereof for federal income tax purposes.

“Final Bond Resolution” means the Resolution adopted by the Authority on September 19, 2024, authorizing the issuance, delivery and sale of the Bonds.

“Fitch” means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Fixed Bonds” means Bonds that bear interest at Fixed Rates.

“Fixed Mode” means the Interest Rate Mode during which the Bonds bear interest at a Fixed Rate or Fixed Rates to their Maturity Date.

“Fixed Period” means the period to the Maturity Date during which Bonds constitute Fixed Bonds.

“Fixed Rate” means the per annum interest rate on a Bond in the Fixed Mode determined for such Bond pursuant to Section 2.14 hereof.

“Fixed Rate Conversion Date” means the effective date of a Conversion of the Bonds or a portion of the Bonds into a Fixed Period or from one Fixed Period to a new Fixed Period or another Interest Rate Period pursuant to the provisions of Section 2.15 hereof.

“Flexible Mode” means the Interest Rate Mode during which the Bonds bear interest at the Flexible Rate.

“Flexible Rate” means the per annum interest rate on a Bond in the Flexible Mode determined for such Bond pursuant to Section 2.09 hereof. The Bonds in the Flexible Mode may bear interest at different Flexible Rates.

“Flexible Rate Bond” means a Bond in the Flexible Mode.

“Flexible Rate Determination Date” means the first day of each Flexible Rate Period.

“Flexible Rate Period” means the period from one to 270 calendar days (which period must end on a day preceding a Business Day) during which a Flexible Rate Bond shall bear interest at a Flexible Rate, as established pursuant to Section 2.09 hereof. The Bonds in the Flexible Mode may be in different Flexible Rate Periods.

“Fourth Supplement” means that certain Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement) dated as of November 1, 2024, between TJU, on behalf of itself and as Combined Group Agent, and the Master Trustee, and pursuant to which the Obligated Group issued the Master Note securing the Bonds.

“FRN Bonds” means Bonds that bear interest at FRN Rates.

“FRN Index” means the SIFMA Index, Daily Simple SOFR, Term SOFR or such other index as the Remarketing Agent shall select in consultation with the Borrower not less than five Business Days prior to the FRN Rate Conversion Date as an index, which in the opinion of nationally recognized tax counsel, is reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds or inflation, as applicable.

“FRN Index Percentage” means the percentage determined by the Borrower, in consultation with the Remarketing Agent, pursuant to Section 2.10(a) with respect to the determination of the FRN Rate.

“FRN Interest Rate Period” means each period during the FRN Period during which FRN Rates are in effect, as described in Section 2.10(a) of this Bond Indenture.

“FRN Mode” means the Interest Rate Mode during which the Bonds bear interest at FRN Rates.

“FRN Period” means the entire period during which Bonds constitute FRN Bonds, which FRN Period shall generally be comprised of multiple FRN Interest Rate Periods, during which FRN Rates are in effect.

“FRN Rate” means, with respect to the FRN Bonds in a particular FRN Interest Rate Period, the interest rate per annum on FRN Bonds during such FRN Interest Rate Period determined on a periodic basis as provided in Section 2.10 of this Bond Indenture, which is equal to the sum of (a) the FRN Index multiplied by the FRN Index Percentage, plus (b) the FRN Spread.

“FRN Rate Adjustment Date” means, with respect to FRN Bonds, the day on which the FRN Rate for the then-commencing FRN Interest Rate Period shall be effective, as determined by the Remarketing Agent, in consultation with the Borrower, prior to the FRN Rate Conversion Date, pursuant to Section 2.10(a) hereof.

“FRN Rate Conversion Date” means (a) a continuation of the FRN Bonds in a new FRN Interest Rate Period and (b) a conversion of the FRN Bonds to an FRN Interest Rate Period from an Interest Rate Period other than an FRN Interest Rate Period.

“FRN Rate Determination Date” means, with respect to any FRN Bonds, the Business Day on which the FRN Rate is determined by the Calculation Agent during each FRN Interest Rate Period in consultation with the Borrower, pursuant to Section 2.10(a) of this Bond Indenture.

“FRN Rate Hard Put Bonds” means those FRN Bonds that are required to be purchased on an FRN Rate Hard Put Mandatory Purchase Date, pursuant to the election of the Borrower under Section 2.10(c) hereof.

“FRN Rate Hard Put Mandatory Purchase Date” means, with respect to the FRN Rate Hard Put Bonds, the first day following the last day of each FRN Interest Rate Period.

“FRN Rate Mandatory Purchase Date” means, with respect to the FRN Bonds, each FRN Rate Hard Put Mandatory Purchase Date and FRN Rate Soft Put Mandatory Purchase Date.

“FRN Rate Soft Put Bonds” means any FRN Bonds that, pursuant to the election of the Borrower under Section 2.10(c), are required to be purchased on an FRN Rate Soft Put Mandatory Purchase Date, but only to the extent that (a) remarketing proceeds, (b) funds made available from a Credit Facility or a Liquidity Facility or (c) other amounts made available by the Borrower, in its sole discretion, are available for such purchase.

“FRN Rate Soft Put Mandatory Purchase Date” means, with respect to the FRN Rate Soft Put Bonds, the first day following the last day of each FRN Interest Rate Period.

“FRN Spread” means the spread, determined by the Remarketing Agent, in consultation with the Borrower, in accordance with Section 2.10(a) prior to the commencement of an FRN Interest Rate Period, based on the relative spreads of securities that bear interest based on the FRN Index and FRN Index Percentage that, in the reasonable judgment of the Remarketing Agent under prevailing market conditions, are otherwise comparable to the Bonds or affecting the market for the Bonds or affecting such other comparable securities in a manner which, in the reasonable judgment of the Remarketing Agent, will affect the market for the Bonds (assuming for these

purposes that the Bonds were to bear interest at FRN Rates for a particular FRN Interest Rate Period).

“Funding Amount” has the meaning set forth in Section 4.10(c)(iii) of this Bond Indenture.

“Governing Body” means, with respect to the Borrower, the board of directors or similar group in which the right to exercise the powers of corporate directors is vested.

“Holder,” “Bondholder,” “Owner,” “Registered Owner” or “holder” whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered; provided, however, that any time the Bonds are held in a book-entry system, “Holder” or “Bondholder” shall mean Beneficial Owner of the Bonds.

“Immediate Termination Date” means, with respect to Bonds secured by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement, the date, if any, on which the Liquidity Facility Provider’s obligation to advance funds or purchase Bonds under such Liquidity Facility terminates immediately in accordance with its terms.

“Index Reset Date” means (i) with respect to Daily Simple SOFR, each day, (ii) with respect to Term SOFR, the first Business Day of each calendar month with a two-day lookback, and (iii) with respect to a SIFMA Index, Thursday of each week.

“Initial Fixed Period” means the Fixed Period commencing on the Date of Issuance and ending on the earlier of (i) the conversion to another Fixed Period or Interest Rate Mode, (ii) the date on which the Bonds are redeemed in full or (iii) the Maturity Date.

“Initial Window Rate Spread” means with respect to any Conversion to a Window Period, the spread determined by the Remarketing Agent on the applicable Window Rate Determination Date pursuant to Section 2.12 of this Bond Indenture.

“Interest Accrual Date” means:

(a) with respect to any Weekly Period, any Daily Period, any Two Day Period, any Window Period, any FRN Period, any VRO Interest Rate Period, any Fixed Period or any Long Term Period, the first day thereof and, thereafter, each Interest Payment Date during such period, other than the last such Interest Payment Date;

(b) with respect to any Short Term Interest Rate Period, the first day thereof;

(c) with respect to any Flexible Rate Period, the first day thereof; and

(d) with respect to any Direct Purchase Interest Rate Period, the first Business Day of each calendar month, unless otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement;

“Interest Accrual Period” means, during any Direct Purchase Period, the first day thereof, to but not including the next succeeding Interest Accrual Date and, thereafter, each Interest Accrual

Date during such period, to but not including the next succeeding Interest Accrual Date, unless otherwise established in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Interest Fund” means the fund by that name established pursuant to Section 5.04 of this Bond Indenture.

“Interest Payment Date” means:

(a) with respect to any Weekly Period, any Daily Period, any FRN Period, any Two Day Period, or any VRO Interest Rate Period, the first Business Day of each calendar month;

(b) with respect to any Fixed Period, including the Initial Fixed Period, or Long Term Period, each March 1 and September 1;

(c) with respect to any Short Term Interest Rate Period, the first Business Day next succeeding the last day thereof;

(d) with respect to any Window Period, the First Thursday of each month or if such first Thursday is not a Business Day, the next succeeding Business Day;

(e) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date applicable thereto;

(f) with respect to any Liquidity Facility Bonds or Credit Facility Bonds, as provided in the applicable Liquidity Facility or Credit Facility Agreement;

(g) with respect to any Direct Purchase Period, the first Business Day of each calendar month, or as may otherwise be established in the applicable Supplemental Bond Indenture or Bondholder Agreement; and

(h) in addition to the Interest Payment Dates set forth in (a)-(g) above, with respect to each Interest Rate Mode, the Conversion Date or otherwise the last day of such Interest Rate Mode.

“Interest Rate Mode” means a Daily Mode, a Two Day Mode, a Weekly Mode, a Short Term Mode, a Long Term Mode, an FRN Mode, a VRO Mode, a Window Mode, a Flexible Mode, a Direct Purchase Mode or a Fixed Mode.

“Interest Rate Period” means a Daily Interest Rate Period, a Two Day Interest Rate Period, a Weekly Interest Rate Period, a Short Term Interest Rate Period, a Long Term Interest Rate Period, a Flexible Rate Period, a FRN Interest Rate Period, a VRO Interest Rate Period, a Window Interest Rate Period, a Direct Purchase Interest Rate Period or a Fixed Period.

“Letter of Representations” means the Blanket Issuer Letter of Representations between the Authority and DTC.

“Liquidity Facility” means a line of credit, letter of credit, standby purchase agreement, loan, guarantee, or similar liquidity facility for a Series of Bonds issued by a commercial bank or other financial institution which, by its terms, provides for the payment of the Purchase Price of Bonds tendered and not remarketed, and delivered to the Bond Trustee in accordance with Section 5.04 of the Loan Agreement or, in the event of the delivery of an Alternate Liquidity Facility, such Alternate Liquidity Facility, in each case, as amended, restated, supplemented or otherwise modified pursuant to its terms. To the extent a Credit Facility provides for such payment, it shall also be deemed a Liquidity Facility.

“Liquidity Facility Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Liquidity Facility Bonds” means Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of such Liquidity Facility.

“Liquidity Facility Provider” means the commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect.

“Liquidity Facility Rate” means the rate per annum, if any, specified in a Liquidity Facility as applicable to Liquidity Facility Bonds, which shall not exceed the Maximum Interest Rate, subject to the terms of the related Liquidity Facility.

“Loan” means the loan made by the Authority to the Borrower under the Loan Agreement.

“Loan Agreement” means that certain Series 2024B-1 Loan Agreement dated as of even date herewith between the Authority and the Borrower, as it may from time to time be amended in accordance with the terms hereof or thereof, initially providing for the loan to the Borrower of the proceeds of the Bonds.

“Loan Default Event” means any of the events specified in Section 6.01 of the Loan Agreement.

“Loan Repayments” means the payments of principal of and interest on the Loan referred to in Section 4.01 of the Loan Agreement.

“Long Term Bonds” means Bonds that bear interest at Long Term Rates.

“Long Term Interest Rate Period” means each period during the Long Term Period for which a particular Long Term Rate is in effect.

“Long Term Mode” means the Interest Rate Mode during which the Bonds bear interest at the Long Term Rate.

“Long Term Period” means the entire period during which Bonds thereof constitute Long Term Bonds, which Long Term Period shall generally be comprised of multiple Long Term Interest Rate Periods, during which Long Term Rates are in effect.

“Long Term Rate” means the non-variable interest rate per annum on Long Term Bonds determined on a periodic basis as provided in Section 2.08 of this Bond Indenture.

“Long Term Rate Mandatory Purchase Date” means the first day following the last day of each Long Term Interest Rate Period.

“Mandatory Purchase Date” means any Purchase Date on which Bonds are subject to mandatory purchase pursuant to Sections 4.07, 4.08 or 4.09 of this Bond Indenture, including as set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Mandatory Purchase Window” means, during a Window Period, (a) 210 days or (b) such other number of days specified by the Remarketing Agent prior to the commencement of the Window Period, with the consent of the Borrower, in a written notice to the Bond Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Any change in the Mandatory Purchase Window shall become effective only at the commencement of a Window Period, on a Window Rate Mandatory Purchase Date or any other mandatory tender for purchase for Window Bonds that occurs pursuant to Section 4.07 during such Window Period.

“Margin Rate Factor” means the product of (a) one minus the prevailing Maximum Federal Corporate Tax Rate multiplied by (b) the quotient of (A) one divided by (B) (1) one minus (2) the Maximum Federal Corporate Tax Rate at closing. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“Market Agent” means the Person, if any, appointed by the Borrower to serve as market agent in connection with any Direct Purchase Period.

“Master Indenture” means the Amended and Restated Master Trust Indenture (Security Agreement) dated as of February 1, 2022, by and among the Members of the Obligated Group and the Master Trustee, as previously amended and supplemented and as it may hereafter be amended, supplemented or modified from time to time.

“Master Note” has the meaning set forth in the recitals hereto.

“Master Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, as Master Trustee under the Master Indenture, or its successor.

“Maturity Date” means September 1, 20[_____].

“Maximum Federal Corporate Tax Rate” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Direct Purchaser, the maximum statutory rate of federal income taxation which could apply to the Direct Purchaser as of such day).

“Maximum Interest Rate” means 12% per annum for all Bonds except Direct Purchase Bonds, Liquidity Facility Bonds and Credit Facility Bonds, for which the Maximum Interest Rate

shall be the Maximum Lawful Rate; provided, however, that in any case the Maximum Interest Rate on any Bonds shall not exceed the Maximum Lawful Rate.

“Maximum Lawful Rate” means the maximum nonusurious rate of interest on the relevant obligation permitted by applicable law.

“Member,” “Member of the Obligated Group” or “Obligated Group Member” has the meaning set forth in the Master Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Noticed Termination Date” means, with respect to Bonds supported by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement or a Credit Facility, the date on which a Liquidity Facility Provider’s or Credit Facility Provider’s obligation to advance funds or purchase Bonds under a Liquidity Facility or Credit Facility terminates or has not been reinstated as stated in the Liquidity Facility Provider’s or Credit Facility Provider’s notice of termination delivered pursuant to the Liquidity Facility or Credit Facility and related Credit Facility Agreement or Liquidity Facility Agreement due to a non-reimbursement of the Credit Facility Provider or Liquidity Facility Provider or default under specified sections of the Liquidity Facility or Credit Facility Agreement, as applicable, which date of termination shall be fifteen (15) days (or such other period as is specified in the Liquidity Facility Agreement or Credit Facility Agreement) after the date of receipt by the Bond Trustee of such notice.

“Obligated Group” means the Obligated Group created by the Master Indenture.

“Opinion of Counsel” means a written opinion of counsel (who may be Co-Bond Counsel or counsel for the Borrower or the Authority) appointed by the Office of General Counsel or selected by the Borrower.

“Optional Redemption Fund” means the account by that name established pursuant to Section 5.06 of this Bond Indenture.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 of this Bond Indenture) all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under this Bond Indenture except (a) Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01 of this Bond Indenture, including Bonds (or portions of Bonds) referred to in Section 11.10 of this Bond Indenture; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to this Bond Indenture; (d) Bonds alleged to have been mutilated, destroyed, lost or stolen and for which security or indemnity has been provided, as provided in Section 2.19 of this Bond Indenture; and (e) any Undelivered Bond.

“Paying Agent” means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal of and interest on the Bonds. Initially, the Bond Trustee will act as the Paying Agent.

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

“Prime Rate” means, during any Direct Purchase Period, the Prime Rate set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Project Fund” means the account by that name established pursuant to Section 5.02.

“Principal Office” of a Remarketing Agent, a Calculation Agent or a Market Agent means the address for such Remarketing Agent, Calculation Agent or Market Agent designated in writing to the Bond Trustee and the Borrower.

“Project” or “2024 Project” has the meaning set forth in the recitals hereto.

“Purchase Date” means each date on which Bonds are subject to optional or mandatory purchase pursuant to this Bond Indenture and shall include each Mandatory Purchase Date and each date on which the Borrower provides funds pursuant to the proviso contained in Section 4.18(b) hereof following return of the Bonds to the Holders pursuant to Section 4.18(a) hereof.

“Purchase Price” means, with respect to a Bond subject to purchase on a Purchase Date, an amount equal to the principal amount thereof plus accrued interest to, but not including, the Purchase Date; provided, however, that:

(a) if the Purchase Date for any Purchased Bond is an Interest Payment Date, the Purchase Price thereof shall be the principal amount thereof, and interest on such Bond shall be paid to the Holder of such Bond pursuant to this Bond Indenture; and

(b) in the case of a purchase on the first day of an Interest Rate Period which is preceded by a Long Term Period and which commences prior to the day originally established as the last day of such preceding Long Term Period, “Purchase Price” of any Purchased Bonds means the optional Redemption Price set forth in Section 4.01(g) hereof which would have been applicable to such Bond if the preceding Long Term Period had continued to the day originally established as its last day, plus accrued interest, if any.

“Purchased Bonds” means the Bonds to be purchased on a Purchase Date pursuant to Sections 4.06, 4.07, 4.08 or 4.09 of this Bond Indenture.

“Qualified Investments” means such of the following as shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys will be required for the purposes intended: (i) United States Government Obligations, (ii) Agency Obligations, (iii) debt obligations (A) which are issued by any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, and (B)

which are, or the obligor on which is, at the time of purchase, rated by a Rating Agency and, as to any such Rating Agency, in any of its four (4) highest Rating Categories; (iv) deposit, money market or demand accounts, other deposit products or any bank certificates of deposit, whether negotiable or nonnegotiable, issued by any bank, trust company or national banking association (including the Bond Trustee and any Affiliate of the Bond Trustee), provided that, such certificates of deposit must be continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by United States Government Obligations and/or Agency Obligations having a market value (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at all times at least equal to the principal amount of such certificates of deposit (or portion thereof not insured as aforesaid), which securities shall be lodged with the Bond Trustee, or any Federal Reserve Bank, as custodian, by the issuer of such certificates of deposit; (v) bonds, notes, debentures, investment agreements or other evidences of indebtedness issued or guaranteed by a corporation or other financial institution which are, or the obligor on which is, at the time of purchase, rated by a Rating Agency and, as to any such Rating Agency, in any of its four (4) highest Rating Categories; (vi) commercial paper, which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1 by S&P and which matures not more than 270 calendar days after the date of purchase; (vii) investments in money market funds (including money market funds for which the Bond Trustee or an Affiliate performs a service and receives a fee) which are registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, and which, at the time of purchase, are rated by a Rating Agency and, as to any such Rating Agency in any of its three (3) highest Rating Categories, provided that sums not in excess of \$1,000,000 may be invested in money market instruments which do not satisfy the foregoing requirements for periods of up to six (6) months; and (viii) Repurchase Agreements.

“Rating Agency” means S&P, Moody’s or Fitch.

“Rating Category” means a generic securities rating category, without regard, in the case of a long term rating category, to any refinement or gradation of such long term rating category by a numerical modifier or otherwise.

“Rebate Amount” means the Rebate Requirement (as defined in the Tax Certificate) with respect to the Bonds determined in accordance with Section 5.10 hereof and the Tax Certificate.

“Rebate Analyst” means an independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and compensated by the Borrower to make the computations and give the directions required under Section 5.09 of this Bond Indenture and the Tax Certificate.

“Rebate Fund” means the fund by that name created under Section 5.10 of this Bond Indenture.

“Record Date” means, with respect to any Interest Payment Date, (a) with respect to any Bonds other than Long Term Bonds or Fixed Bonds, the Business Day immediately preceding such Interest Payment Date, and (b) with respect to Long Term Bonds and Fixed Bonds the fifteenth day of the month preceding the month in which such Interest Payment Date occurs, whether or not such day is a Business Day.

“Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium (including breakage costs, if any, payable under a Bondholder Agreement during a Direct Purchase Period), if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Bond Indenture.

“Refunded Bonds” has the meaning set forth in the recitals hereto.

“Refunding Project” means the refunding and/or defeasance of the Refunded Bonds.

“Registration Books” means books maintained by the Bond Trustee on behalf of the Authority at the Corporate Trust Office of the Bond Trustee for the purpose of recording the registration, transfer, exchange or replacement of any of the Bonds.

“Reimbursement Obligations” means those amounts required to be reimbursed to a Credit Facility Provider or Liquidity Facility Provider upon payment under a Credit Facility or Liquidity Facility.

“Relevant Governmental Body” shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Remarketing Agent” means, with respect to the Bonds, the financial institution or institutions designated by the Borrower as the Remarketing Agent, if any, for such Bonds, or any other Remarketing Agent or successor or additional Remarketing Agent appointed in accordance with this Bond Indenture. No Remarketing Agent shall be required during any Fixed Period, during any Direct Purchase Period until the applicable Direct Purchase Rate Mandatory Purchase Date or during any Long Term Rate Period until the applicable Long Term Rate Mandatory Purchase Date.

“Remarketing Agreement” means any agreement between TJU and a Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent under this Bond Indenture.

“Remarketing Proceeds Account” means the account by that name within the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Remarketing Window” has the meaning given in Section 4.10(c)(iv) of this Bond Indenture.

“Repurchase Agreement” means written repurchase agreements collateralized by United States Government Obligations and/or Agency Obligations (the “Collateral Securities”) with any registered broker/dealer subject to the jurisdiction of the Securities Investors’ Protection Corporation or any commercial bank whose deposits are insured by the FDIC (including any broker/dealer affiliated with the Bond Trustee), if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation, at the time of purchase, rated “A3” or better by Moody’s, and “A-” or better by S&P, provided that:

(a) a master repurchase agreement or other specific written repurchase agreement governs the transaction;

(b) the Collateral Securities are held free and clear of any lien by an independent third party acting solely as agent for the Bond Trustee (as may be evidenced by an opinion of counsel acceptable to the Bond Trustee) or an independent third party acting solely as agent (“Agent”) for the Bond Trustee, and such third party is (1) a Federal Reserve Bank or (2) a bank that is a member of the FDIC and that has combined capital, surplus and undivided profits of not less than \$50,000,000, and the Bond Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bond Trustee;

(c) the Agent will value the Collateral Securities no less frequently than weekly and will liquidate the Collateral Securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; and

(d) the fair market value of the Collateral Securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%.

“Required Stated Amount” means with respect to a Liquidity Facility or a Credit Facility, at any time of calculation, an amount equal to the aggregate principal amount of all Bonds then Outstanding supported by such Liquidity Facility or Credit Facility together with interest accruing thereon (assuming an annual rate of interest equal to the Maximum Interest Rate) for the minimum period specified by the Rating Agencies then rating such Bonds as necessary to obtain (or maintain) a specified short term rating of such Bonds.

“Responsible Officer” means any officer within the corporate trust department of the Bond Trustee, including any vice president, assistant vice president or any other officer of the Bond Trustee within the corporate trust office specified in Section 11.07 (or any successor corporate trust office) who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Bond Indenture.

“Revenue Fund” means the fund by that name established pursuant to Section 5.03 of this Bond Indenture.

“Revenues” means all amounts received by the Authority or the Bond Trustee pursuant or with respect to the Loan Agreement or the Master Note, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Bond Indenture (other than the Rebate Fund and the Bond Purchase Fund), but not including the Authority’s Unassigned Rights, any Administrative Fees and Expenses, Additional Payments, any moneys required to be deposited in the Rebate Fund or the Bond Purchase Fund or any interest, profits or other income required to be retained in the Rebate Fund or the Bond Purchase Fund.

“S&P” means S&P Global Ratings, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Depository” means The Depository Trust Company and its successors and assigns, or any other securities depository selected as set forth in Section 2.22.

“Self-Liquidity Arrangement” means an agreement or other arrangement from the Borrower to pay the Purchase Price of the Bonds without the support of a Credit Facility or a Liquidity Facility.

“Series,” when used with respect to the Bonds, means all the Bonds designated as being of the same Series or sub-Series, whether upon initial issuance thereof or upon any Conversion of a portion of a Series and redesignation thereof into one or more sub-Series, authenticated and delivered in a simultaneous transaction, and any Bonds thereafter authenticated and delivered upon a transfer or exchange or in lieu of or in substitution for such Bonds of such Series or sub-Series, or upon a Conversion of a portion of any Series or sub-Series of the Bonds, as herein provided. In the event that the Bonds or a portion of the Bonds have been so designated as being in more than a single Series or sub-Series, references in this Bond Indenture and in the Loan Agreement to the Bonds shall, as the context may require, refer to only the Bonds of the particular Series or sub-Series in question.

“Short Term Bonds” means Bonds that bear interest at Short Term Rates.

“Short Term Interest Rate Period” means each period during the Short Term Period for which a particular Short Term Rate is in effect.

“Short Term Mode” means the Interest Rate Mode during which the Bonds bear interest at Short Term Rates.

“Short Term Period” means each period during which Bonds constitute Short Term Bonds, which Short Term Period shall generally be comprised of multiple Short Term Interest Rate Periods, during which Short Term Rates are in effect.

“Short Term Rate” means the interest rate per annum on Short Term Bonds determined on a periodic basis as provided in Section 2.07 of this Bond Indenture.

“Short Term Rate Mandatory Purchase Date” means the first day following the last day of each Short Term Interest Rate Period.

“SIFMA” means the Securities Industry and Financial Markets Association.

“SIFMA Index” means, on any date, a rate determined on the basis of the seven day high grade market index of tax exempt variable rate demand obligations, as produced by Bloomberg (or successor organizations) and published or made available by SIFMA or any Person acting in

cooperation with or under the sponsorship of SIFMA and acceptable to the Borrower and effective from such date or if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or successor organizations) or (ii) with a Favorable Opinion of Bond Counsel, such other index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to the Bonds as selected by the Borrower.

“Sinking Fund Installment” means the amount required by Section 5.05(d) of this Bond Indenture to be paid on any single date for the retirement of Bonds of a Series.

“Special Record Date” means the date established by the Bond Trustee pursuant to Section 2.02(b)(vi) of this Bond Indenture as the record date for the payment of defaulted interest on Bonds.

“Substitute Obligation” has the meaning set forth in Section 6.08 of this Bond Indenture.

“Supplemental Bond Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Bond Trustee, supplementing, modifying or amending this Bond Indenture; but only if and to the extent that such Supplemental Bond Indenture is specifically authorized hereunder.

“Tax Certificate” means the Tax Compliance Certificate relating to the Series 2024B-1 Bonds and delivered by the Authority and the Borrower, as Combined Group Agent.

“Tax Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Term Out Period” means, during any Direct Purchase Period, the Term Out Period, if any, established by the Direct Purchaser or the Market Agent, or while a Liquidity Facility or Credit Facility is in place, the Term Out Period, if any, established by the Liquidity Facility Provider or Credit Facility Provider, or as otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Term Out Rate” means, during any Direct Purchase Period, the Term Out Rate, if any, established by the Direct Purchaser or the Market Agent, or while a Liquidity Facility or Credit Facility is in place, the Term Out Rate, if any, established by the Liquidity Facility Provider or Credit Facility Provider, or as otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Term SOFR” means the forward-looking term rate with a tenor of approximately one month based upon the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

“TJU” has the meaning set forth in the recitals hereto.

“Two Day Bonds” means Bonds that bear interest at Two Day Rates.

“Two Day Interest Rate Period” means each two day period during a Two Day Period for which a particular Two Day Rate is in effect.

“Two Day Mode” means the Interest Rate Mode during which the Bonds bear interest at Two Day Rates.

“Two Day Period” means the entire period during which Bonds constitute Two Day Bonds, which Two Day Period shall generally be comprised of multiple Two Day Interest Rate Periods, during which Two Day Rates are in effect.

“Two Day Rate” means the interest rate per annum on Two Day Bonds determined on a two day basis as provided in Section 2.05 of this Bond Indenture.

“Unassigned Rights” means the rights of the Authority expressly granted to the Authority in this Bond Indenture or in the Loan Agreement to (a) inspect books and records, (b) give or receive notices, approvals, consents, requests, and other communications, (c) receive payment or reimbursement for expenses or fees, (d) the benefit of all provisions providing the Authority immunity from and limitation of liability, (e) indemnification from liability by the Borrower, (f) security for the Borrower’s indemnification obligation and (g) decide whether to execute and deliver supplements and amendments to this Bond Indenture or the Loan Agreement.

“Undelivered Bond” means any Bond that constitutes an Undelivered Bond under the provisions of Section 4.12 of this Bond Indenture.

“Undelivered Bond Payment Account” means the account by that name within the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“United States Government Obligations” means obligations that are direct, full faith and credit obligations of the United States of America or are obligations with respect to which the United States of America has fully and unconditionally guaranteed the timely payment of all principal or interest or both, but only to the extent of the principal or interest so guaranteed, including United States Agency for International Development Bonds and Resolution Funding Corporation Interest STRIPS.

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for the purpose of trading in U.S. government securities.

“Unremarketed Bonds” means Direct Purchase Bonds for which the Holders have not received the full Purchase Price of all of their Bonds on the applicable Direct Purchase Rate Mandatory Purchase Date.

“VRO” means Variable Remarketed Obligation.

“VRO Bonds” means Bonds that bear interest at VRO Rates.

“VRO Interest Rate Period” means each period during which Bonds are in the VRO Mode, which VRO Interest Rate Period shall generally be comprised of multiple VRO Interest Rate Periods, during which VRO Rates are in effect.

“VRO Interest Rate Period Designated Amount” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Failed Remarketing Event” has the meaning given in Section 2.11(c)(i).

“VRO Interest Rate Period Purchase Date” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Purchase Price” has the meaning given in Section 2.11(b)(ii).

“VRO Interest Rate Period Remarketing Date” has the meaning given in Section 2.11(c)(ii).

“VRO Interest Rate Period Remarketing Date Purchase Price” has the meaning given in Section 2.11(c)(ii).

“VRO Interest Rate Period Remarketing Notice” has the meaning given in Section 2.11(b)(iv).

“VRO Interest Rate Period Remarketing Window” has the meaning given in Section 2.11(b)(iv).

“VRO Interest Rate Period Special Mandatory Redemption Date” means the earlier of (i) the maturity date of the VRO Bonds and (ii) the third annual anniversary of the VRO Interest Rate Period Tender Notice Date relating to the VRO Interest Rate Period Tender Notice that resulted in the applicable VRO Interest Rate Period Failed Remarketing Event (or if such day is not a Business Day, the next preceding Business Day).

“VRO Interest Rate Period Tender Notice” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Tender Notice Date” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Tendered Bonds” has the meaning given in Section 2.11(b)(ii).

“VRO Mode” means the Interest Rate Mode during which the Bonds bear interest at the VRO Rate.

“VRO Rate” means the interest rate per annum on VRO Bonds determined on a periodic basis as provided in Section 2.11 of this Bond Indenture.

“VRO Step Up Rate” means the lesser of (i) 12% per annum or (ii) the Maximum Lawful Rate.

“Weekly Bonds” means Bonds that bear interest at Weekly Rates.

“Weekly Interest Rate Period” means each weekly period during the Weekly Period for which a particular Weekly Rate is in effect.

“Weekly Mode” means the Interest Rate Mode during which the Bonds bear interest at Weekly Rates.

“Weekly Period” means the entire period during which Bonds constitute Weekly Bonds, which Weekly Period shall generally comprise multiple Weekly Interest Rate Periods, during which Weekly Rates are in effect.

“Weekly Rate” means the interest rate per annum on Weekly Bonds determined on a weekly basis as provided in Section 2.06 of this Bond Indenture.

“Window Bonds” means Bonds that bear interest at Window Rates.

“Window Interest Rate Period” means each period during the Window Period for which a particular Window Rate is in effect, which shall be a period generally consisting of 7 days commencing on a Thursday and ending on the following Wednesday, except in the case of (a) the initial Window Rate Interest Period occurring after a Conversion to the Window Mode for which the period shall be from the applicable Conversion Date to and including the following Wednesday and (b) the last Window Interest Rate Period during a Window Period, for which the period shall end on the day preceding the applicable Conversion Date, redemption date or Maturity Date.

“Window Mode” means the Interest Rate Mode during which the Bonds bear interest at the Window Rate.

“Window Period” means the entire period during which Bonds constitute Window Bonds, which Window Period shall generally be comprised of multiple Window Interest Rate Periods, during which Window Rates are in effect.

“Window Rate” means the interest rate per annum on Window Bonds determined on a periodic basis as provided in Section 2.12 of this Bond Indenture.

“Window Rate Determination Date” means, with respect to Window Bonds, in the case of a Conversion of Bonds to the Window Period, a Business Day not later than the applicable Conversion Date, and thereafter, each Thursday or, if Thursday is not a Business Day, then the Business Day next following such Thursday.

“Window Rate Mandatory Purchase Date” has the meaning given in Section 4.11(b)(iii) of this Bond Indenture.

“Window Rate Optional Purchase Date” has the meaning given in Section 4.06(b)(iii) of this Bond Indenture.

“Window Rate Spread” means, during a Window Period, (a) the Initial Window Rate Spread, or (b) a revised spread determined by the Remarketing Agent pursuant to Section 2.12.

“Written Request” means with reference to the Authority, a request in writing signed by an Authorized Representative of the Authority and, with reference to the Borrower, means a request in writing signed by an Authorized Representative of the Borrower.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Bond Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(d) Any reference herein to the Authority, the governing body or any member or officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(e) Any terms not defined herein but defined in the Loan Agreement or the Master Indenture, shall have the same meaning herein.

(f) Words importing the redemption of a Bond or the calling of a Bond for redemption do not mean or include the payment of a Bond at its Maturity Date or the purchase of a Bond.

Section 1.03. Content of Certificates and Opinions. Every certificate or opinion provided for in this Bond Indenture with respect to compliance with any provision hereof shall include (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based; and (5) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

Any such certificate or opinion made or given by an Authorized Representative of the Authority or the Borrower may be based, insofar as it relates to legal, accounting or business matters, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is materially erroneous. Any such

certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an Authorized Representative of the Authority or the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is materially erroneous. The same Authorized Representative of the Authority or the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Bond Indenture, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II THE BONDS

Section 2.01. Authorization of Bonds. The Series 2024B-1 Bonds to be designated as "Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1" and will be issued in the aggregate principal amount of \$[_____]. In connection with any Conversion of Bonds (in whole or in part) or any mandatory tender and remarketing of Bonds (in whole or in part) on any Purchase Date, at the direction of the Borrower any such Bonds or portions of the Bonds may be reconfigured, combined or re-designated or divided to create sub-Series or to combine any such sub-Series. All Bonds shall be equally and ratably secured by this Bond Indenture. This Bond Indenture constitutes a continuing agreement with the Holders from time to time of the Bonds to secure the full payment of the principal, Redemption Price and Purchase Price of and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

The total principal amount of the Series 2024B-1 Bonds that may be issued pursuant to this Bond Indenture is hereby expressly limited to \$[_____].

Section 2.02. Terms of the Bonds; Registration; Denominations; Payment of Principal and Interest.

(a) The Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations (other than Bonds during any Direct Purchase Period which may be in any larger denominations as may be directed by the Direct Purchaser). The Bonds shall be registered in the name of "Cede & Co.," as nominee of the Securities Depository (except during any Direct Purchase Period, when the Bonds may be registered in the name of the Direct Purchaser as provided in Section 2.13(d)(iii) hereof or as otherwise directed by the Direct Purchaser), and shall be evidenced by one Bond certificate for each interest rate and Maturity Date (upon a future Conversion to a new Fixed Period, which, if serialized, may be evidenced by a Bond certificate for each interest rate and Maturity Date as provided in Section 2.15(f)(vi) hereof). Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.21 hereof.

The Bonds, as initially issued, shall be dated their Date of Issuance. Subsequently issued Bonds will be dated as of the most recent Interest Payment Date to which interest has been paid on or prior to the date on which it is authenticated or, if authenticated prior to the first Interest Payment Date, as of the date of their initial issuance. The Bonds shall be numbered in consecutive numerical order from RB-1 upwards.

(b) The Bonds shall bear interest, payable on each Interest Payment Date in immediately available lawful money of the United States of America, at the rates for the applicable Interest Rate Mode and Maturity Date, as applicable, determined pursuant to this Article II from the date thereof, and shall mature on the Maturity Date.

(i) The Bonds are initially being issued as bonds, the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes.

(ii) For any Weekly Period, Daily Period, Two Day Period, FRN Period, VRO Interest Rate Period or Window Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Period, Daily Period, Two Day Period, FRN Period, VRO Interest Rate Period or Window Period, as applicable). For any Short Term Period, Flexible Rate Period, Fixed Period or Long Term Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. For any Direct Purchase Period, interest shall be payable on each Interest Payment Date for each Interest Accrual Period. For the Initial Fixed Period, interest shall be payable on each March 1 and September 1, commencing March 1, 2025.

(iii) Interest on the Bonds shall be payable to the date on which the respective Bonds shall have been paid in full. Interest shall be computed, in the case of Fixed Bonds or Long Term Bonds, on the basis of a 360 day year consisting of twelve 30 day months, in the case of Direct Purchase Bonds, on the basis of a 365-366 day year, as appropriate, and the actual days elapsed or on the basis of a 360 day year for the actual number of days elapsed, as set forth in the applicable Bondholder Agreement, and in the case of Weekly Bonds, Daily Bonds, Two Day Bonds, Short Term Bonds, FRN Bonds, VRO Bonds, Window Bonds, or Flexible Rate Bonds, on the basis of a 365 or 366 day year, as appropriate, and the actual number of days elapsed.

(iv) The interest rates for the Bonds and the determination of the interest rates for the Bonds by the Remarketing Agent, the Market Agent, or the Calculation Agent, as applicable, shall be conclusive and binding upon the Authority, the Borrower, the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of such Bonds.

(v) Except as provided in the following sentence and in Section 2.02(f) below for any Direct Purchase Period, interest on the Bonds shall be payable on each Interest Payment Date by the Bond Trustee to the Holder of Bonds who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Bond Trustee with written payment instructions.

(vi) If available funds are insufficient on any Interest Payment Date to pay the interest then due on the Bonds, interest shall continue to accrue thereon but shall cease to be payable to the Holder on such Record Date. If sufficient funds for the payment of such overdue interest thereafter become available, the Bond Trustee shall (A) establish a "special interest payment date" for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Bondholders entitled to such payment and (B) mail notices by first class mail of such dates as soon as practicable. Notice of each such date so established shall be mailed to each Bondholder at least ten (10) days prior to the Special Record Date but not more than thirty (30) days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Holders, as shown on the Registration Books as of the close of business on the Special Record Date.

(vii) Notwithstanding the foregoing provisions of this Section 2.02(b), Liquidity Facility Bonds and Credit Facility Bonds shall bear interest, respectively, at the applicable Liquidity Facility Rate or the applicable Credit Facility Rate and shall be payable on the dates, in the amounts and in the manner as set forth in this Bond Indenture and the applicable Liquidity Facility Agreement or Credit Facility Agreement.

(c) The Bonds shall initially mature, subject to prior redemption as provided in the form thereof, in the amounts and on the dates and bear interest at the rates set forth below:

Year of Maturity (September 1)	Interest Rate	Principal Amount

(i) The Sinking Fund Installments established for the Bonds pursuant to Section 5.05(d) may be redesignated as Maturity Dates and Sinking Fund Installments on a Fixed Rate Conversion Date for the Bonds to a Fixed Period as provided in Section 2.15(f)(vi) of this Bond Indenture.

(ii) The Maturity Dates and Sinking Fund Installments established for any Fixed Period may be redesignated as Maturity Dates and Sinking Fund Installments on a Conversion Date for the Bonds as provided in Section 2.15(f)(vii) of this Bond Indenture.

(iii) The full principal or Redemption Price of the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Bond Trustee upon surrender of the Bonds to the Bond Trustee for cancellation; provided that the Bond Trustee may agree with the Holder of any Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond in the form set forth below (which shall be typed or printed on such Bond):

Payment Date	Payments on Account Principal		Signature of Holder
	Principal Amount Paid	Balance of Principal Amount Unpaid	

The Bond Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Bond Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Holder of such Bond, and the Authority and the Bond Trustee shall be fully released and discharged from all liability to the extent of such payment regardless of whether such endorsement shall or shall not have been made upon such Bond by the Holder thereof and regardless of any error or omission in such endorsement.

(d) The Bonds shall be subject to redemption as provided in Articles IV and V.

(e) Except during any period when the Bonds are not required or permitted to have CUSIP numbers as may be specified in a Bondholder Agreement, the Bond Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal and Redemption Price by CUSIP number of the Bonds.

(f) The Authority and the Bond Trustee agree that during any Direct Purchase Period, the Direct Purchaser may determine and direct, by Electronic Notice to the Borrower, the Authority, and the Bond Trustee, that all amounts payable with respect to the Bonds shall be paid directly by the Borrower to the Direct Purchaser (without any presentment thereof to the Borrower or to the Bond Trustee, except upon the payment of the final installment of principal, when presentment shall be made to the Bond Trustee, and without any notation of such payment being made thereon) in such manner and at the address or wire instructions specified in the Bondholder Agreement or at such other address in the United States as may be designated by the Direct Purchaser in writing to the Bond

Trustee and the Borrower. Any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment. The Direct Purchaser shall notify the Authority, the Borrower and the Bond Trustee in writing of any failure of the Borrower to make any payment of the principal or Purchase Price of or interest on the Bonds when due, and the Bond Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing. Subject to the terms set forth in Section 2.17, if the Bonds are sold or transferred, the selling or transferring Holder shall notify the Authority, the Bond Trustee and the Borrower in writing of the name and address of the transferee, the effective date of the transfer, the outstanding principal amount of the Bonds as of the transfer date and the payment information notated on the Bonds as described below, and it will, prior to delivery of such Bonds, make a notation on such Bonds of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. Furthermore, the Bond Trustee shall have no obligations to make payments of the principal, Redemption Price or Purchase Price of or interest on the Bonds, nor shall the Bond Trustee be obligated to collect any required payments under the Loan Agreement or to take any other action in respect thereof, except at the express written direction of the Borrower or the Direct Purchaser. The Direct Purchaser shall notify the Authority, the Bond Trustee and the Borrower by Electronic Notice or by other writing, not later than the Business Day preceding each Interest Payment Date, of the amount of principal and interest due and payable on each such Interest Payment Date.

Section 2.03. Initial Interest Rates; Subsequent Interest Rates.

(a) Interest Rate Mode for the Series 2024B-1 Bonds. The Interest Rate Mode for the Series 2024B-1 Bonds shall initially be the Fixed Mode and the Series 2024B-1 Bonds shall bear interest at the Fixed Rate as set forth in Section 2.14 and shall mature, subject to earlier redemption, on the Maturity Date.

(b) Interest Rate Periods. In the manner hereinafter provided, the term of the Bonds in each Interest Rate Mode will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at a Daily Rate, a Two Day Rate, a Weekly Rate, a Short Term Rate, a Long Term Rate, a Flexible Rate, an FRN Rate, a VRO Rate, a Window Rate, a Fixed Rate or a Direct Purchase Rate, as may be applicable for the specific Interest Rate Mode.

(c) Determination of Interest Rates Upon Conversion.

(i) Interest Rates. All Bonds shall be in the same Interest Rate Mode and operate in the same Interest Rate Period, subject to future designations as separate Series, in which case all Bonds of a Series shall be in the same Interest Rate Mode and operate in the same Interest Rate Period.

(ii) Maximum Interest Rate. Interest on the Bonds shall not exceed the Maximum Interest Rate applicable thereto.

(iii) [Reserved].

(iv) Daily Bonds, Two Day Bonds, Weekly Bonds, Short Term Bonds, Long Term Bonds or Fixed Bonds. Subject to the further provisions of this Section 2.03 with respect to particular Daily Rates, Two Day Rates, Weekly Rates, Short Term Rates, Long Term Rates or Fixed Rates, or Conversions between Daily Rates, Two Day Rates, or Weekly Rates or to Short Term Rates or Long Term Rates or Fixed Rates, the interest rate on Bonds during any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period shall be determined by the Remarketing Agent with respect to the Bonds of a Series as provided in this Section 2.03, and notice thereof shall be given as follows:

(A) The interest rate for the Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period in question shall be determined by the Remarketing Agent on the date or dates and at the time or times required pursuant to Sections 2.04, 2.05, 2.06, 2.07, 2.08 or 2.14, as applicable. The interest rate to be determined for the Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the Bonds in question, assuming the Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, as of the date of determination, except as otherwise provided for Long Term Rates in Section 2.08 or for Fixed Rates in Section 2.14.

(B) If the Remarketing Agent fails for any reason to determine the Daily Rate, Two Day Rate, Weekly Rate, Short Term Rate, Long Term Rate or Fixed Rate for any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period, or Fixed Period, as applicable, when required hereunder, then the interest rate on such Bonds shall be the interest rate set by the Remarketing Agent for the most recent period for which the interest rate was validly determined by the Remarketing Agent until the interest rate on such Bonds is again validly determined by the Remarketing Agent, or in the event that a court holds that the Daily Rate, Two Day Rate, Weekly Rate, Short Term Rate, Long Term Rate or Fixed Rate for any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period, or Fixed Period, respectively, is invalid, illegal or unenforceable, then the interest rate on such Bonds shall be equal to (i) with respect to any Daily Period, Two Day Period, Weekly Period, Short Term Period, the lesser of the SIFMA Index or the Maximum Interest Rate, and (ii) with respect to any Long Term Period or Fixed Period, the Maximum Interest Rate, until the interest rate on such Bonds is again validly determined by the Remarketing Agent, in each case, so long as no Event of Default shall have occurred and be continuing. If there is no Remarketing Agent when a Remarketing Agent is required pursuant to this Bond Indenture, the interest rate on such Bonds shall be the Maximum Interest Rate and in each case until the interest rate on such Bonds is validly determined by a Remarketing Agent appointed pursuant to Sections 4.15 and 4.16 hereof.

(C) All Daily Bonds, Two Day Bonds, Weekly Bonds and Long Term Bonds of a Series shall bear interest accruing at the same Daily Rate, Two Day Rate, Weekly Rate or Long Term Rate, respectively.

(D) Interest on Bonds in a Fixed Period shall be determined pursuant to Section 2.14. The Fixed Period shall extend to the Maturity Date, and Bonds bearing interest at a Fixed Rate may only be converted to another Interest Rate Mode or to a new Fixed Period as permitted by Section 2.15 hereof.

(v) Flexible Rate Bonds. The Flexible Rate shall be determined in accordance with Section 2.09.

(vi) FRN Bonds. The FRN Rate shall be determined in accordance with Section 2.10. All FRN Bonds of a Series shall bear interest accruing at the same FRN Rate.

(vii) VRO Bonds. The VRO Rate shall be determined in accordance with Section 2.11. All VRO Bonds of a Series shall bear interest accruing at the same VRO Rate, except as otherwise provided in Section 2.11.

(viii) Window Bonds. The Window Rate shall be determined in accordance with Section 2.12. All Window Bonds of a Series shall bear interest accruing at the same Window Rate.

(ix) Direct Purchase Bonds. The Direct Purchase Rate shall be determined in accordance with Section 2.13. All Direct Purchase Bonds of a Series shall bear interest at the same Direct Purchase Rate.

(x) Bank Bonds. The Liquidity Facility Rate or Credit Facility Rate, as applicable, shall be determined in accordance with the applicable Liquidity Facility Agreement or Credit Facility Agreement. Interest at the Liquidity Facility Rate or Credit Facility Rate shall be paid directly to the Liquidity Facility Provider or Credit Facility Provider, as applicable, as set forth in the applicable Liquidity Facility Agreement or Credit Facility Agreement.

Section 2.04. Daily Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Daily Rate, Daily Interest Rate Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(b) Effective Period. The interest rate for each Daily Interest Rate Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(c) Determination Time. Each Daily Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the commencement date of the Daily Interest Rate Period to which it relates. Notice of each Daily Rate shall be given by

the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no less frequently than once each week, and on the Business Day preceding each Interest Payment Date. The Bond Trustee shall inform the Holders of each Daily Rate determined by the Remarketing Agent upon written request.

Section 2.05. Two Day Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Two Day Rate, Two Day Interest Rate Periods shall commence on the first day of a period during which the Bonds bear interest at a Two Day Rate and on each Monday, Wednesday and Friday thereafter so long as interest on the Bonds is to be payable at a Two Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day, and extend to, but not include the next day on which a Two Day Rate is required to be set in accordance with the terms of Section 2.05(c) below.

(b) Effective Period. The Two Day Rate set on any Business Day for each Two Day Interest Rate Period will be effective as of such Business Day and will remain in effect until the next day on which a Two Day Rate is required to be set in accordance with the terms of Section 2.05(c) below.

(c) Determination Time. The Remarketing Agent shall set a Two Day Rate on or before 10:00 a.m., New York City time, on the first day of a period during which the Bonds bear interest at a Two Day Rate and on each Monday, Wednesday and Friday thereafter so long as interest on the Bonds is to be payable at a Two Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day. Notice of each Two Day Rate shall be given by the Remarketing Agent to the Bond Trustee and the Borrower, with respect to the Bonds to which such Two Day Rate is applicable, by Electronic Notice not later than 10:30 a.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Two Day Rate determined by the Remarketing Agent upon request.

Section 2.06. Weekly Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Weekly Rate, Weekly Interest Rate Periods shall commence on and include Thursday of each week and end on and include the next succeeding Wednesday; provided, however, that (i) in the case of a Conversion to a Weekly Rate from another Interest Rate Mode, the initial Weekly Interest Rate Period for such Bonds shall commence on the Conversion Date into the Weekly Period and end on and include the next succeeding Wednesday and (ii) in the case of a Conversion from a Weekly Rate to another Interest Rate Mode, the last Weekly Interest Rate Period prior to Conversion shall end on the last day immediately preceding the applicable Conversion Date.

(b) Effective Period. The interest rate for each Weekly Interest Rate Period shall be effective from and including the commencement date of such Weekly Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Determination Time. Other than the initial Weekly Rate, each Weekly Rate shall be determined by the Remarketing Agent by 5:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Rate Period to which it relates. Notice of each Weekly Rate shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such Weekly Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Weekly Rate determined by the Remarketing Agent upon request.

Section 2.07. Short Term Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Short Term Rate, each Short Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding that Short Term Interest Rate Period which will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost during the term of such Short Term Bonds; provided that each Short Term Interest Rate Period (i) shall be from 1 to 364 days in length but, if a Credit Facility or a Liquidity Facility is in effect with respect to such Short Term Bonds, shall not exceed the number of days of interest coverage provided by such Credit Facility or such Liquidity Facility minus five days, shall not extend beyond the date that is five days before the Expiration Date of such Credit Facility or such Liquidity Facility and shall not exceed the number of days remaining prior to the Conversion Date if the Remarketing Agent has given or received notice of any Conversion to a different Interest Rate Mode, and (ii) shall commence on a Business Day (except that in the case of a Conversion to a Short Term Mode, the initial Short Term Rate shall commence on the Conversion Date), and (iii) shall end on a day preceding a Business Day or the day preceding the Maturity Date for such Bonds. The Remarketing Agent may, in the reasonable exercise of its judgment, determine one or more Short Term Periods that result in a Short Term Rate or Short Term Rates on Bonds that are higher than would be borne by such Bonds with a shorter Short Term Interest Rate Period in order to increase the likelihood of achieving the lowest net interest cost during the term of such Short Term Bonds by providing for a longer Short Term Interest Rate Period. The determination of each Short Term Interest Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Short Term Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Short Term Bonds, or any fact or circumstance relating to the Short Term Bonds or affecting the market for the Short Term Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Short Term Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Borrower, but the Remarketing Agent's

determination of the Short Term Interest Rate Periods will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(b) Effective Period. The interest rate for each Short Term Interest Rate Period shall be effective from and including the commencement date of that Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Short Term Interest Rate Periods. Short Term Bonds may bear interest for different Short Term Interest Rate Periods and at different Short Term Rates; provided that all Short Term Bonds with the same Short Term Interest Rate Period shall bear interest at the same Short Term Rate.

(d) Determination Time. During each Short Term Period, each Short Term Rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement of the Short Term Interest Rate Period to which it relates. Notice of each Short Term Rate and of each Short Term Interest Rate Period shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such Short Term Rate or Short Term Interest Rate Period is applicable, by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Short Term Rate and each Short Term Interest Rate Period determined by the Remarketing Agent upon request.

Section 2.08. Long Term Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Long Term Rate, Long Term Interest Rate Periods shall commence on a Long Term Rate Conversion Date or, thereafter, the effective date of a subsequent Long Term Interest Rate Period, and end on a day which is at least 12 months after such Long Term Rate Conversion Date which is the day preceding (i) the effective date of a subsequent Long Term Interest Rate Period, (ii) the Conversion Date on which a different Interest Rate Mode shall become effective or (iii) the Maturity Date for such Bonds; provided that if a Credit Facility or a Liquidity Facility is in effect with respect to such Bonds, each Long Term Interest Rate Period shall not extend to a date beyond the fifth day next preceding the Expiration Date of such Credit Facility or Liquidity Facility.

(b) Effective Period. The interest rate for each Long Term Interest Rate Period shall be effective from and including the commencement of that Long Term Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Determination Time. Each Long Term Rate and the term of each Long Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or prior to the Business Day immediately preceding the commencement of the Long Term Interest Rate Period to which it relates.

(d) Remarketing. The Long Term Rate for each Long Term Interest Rate Period for the Bonds shall be the rate of interest per annum borne by the Bonds which shall

be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the Bonds in question, assuming the Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, as of the date of determination. Notwithstanding the foregoing, the Long Term Rate for a Long Term Interest Rate Period may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such Bonds, after taking into account any premium or discount at which such Bonds are sold by the Remarketing Agent, provided that in connection with selling such Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Bond Trustee and the Borrower that the sale of the Bonds at the Long Term Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds based on the prevailing market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the reasonable judgment of the Remarketing Agent, are otherwise comparable to the Bonds on the commencement date of the Long Term Interest Rate Period;

(ii) The Borrower consents in writing to the sale of the Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of Bonds to be sold at a discount, either (a) a Credit Facility or a Liquidity Facility is in effect with respect to the Bonds and provides for the purchase of such Bonds from the tendering Holders at par or (b) the Borrower agrees to transfer to the Bond Trustee on the commencement date of such Long Term Interest Rate Period, in immediately available funds, for deposit in the Borrower Purchase Account, an amount equal to such discount;

(iv) In the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with any direction included in the Favorable Opinion of Bond Counsel delivered pursuant to subsection (v) below or, if no such direction is included and no other instructions are received by the Remarketing Agent from Bond Counsel related to the use of such premium, then to the Bond Trustee for deposit in the Revenue Fund; and

(v) On or before the commencement date of the Long Term Interest Rate Period with respect to the Series 2024B-1 Bonds, a Favorable Opinion of Bond Counsel to the effect that such determination of the Long Term Rate will not, in and of itself, cause the interest on the Series 2024B-1 Bonds to be included in the gross income of the Holders for federal income tax purposes shall have been received by the Bond Trustee, the Authority, the Borrower and the Remarketing Agent.

Section 2.09. Flexible Rates.

(a) A Flexible Rate Period for the Bonds in the Flexible Mode shall be of a duration from one to 270 calendar days, ending on a day preceding a Business Day or the Maturity Date, as the Remarketing Agent shall determine in accordance with the provisions of this Section; provided, however, that no Flexible Rate Period set after delivery by the Borrower of the notice of the intention to effect a Conversion pursuant to Section 2.15 hereof that has been received by the Remarketing Agent shall extend beyond the Mandatory Purchase Date of the Bonds subject to such Conversion. A Flexible Rate Bond can have a Flexible Rate Period and bear interest at a Flexible Rate, different than another Flexible Rate Bond. The determination of each Flexible Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Flexible Rate Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Flexible Rate Bonds, or any fact or circumstance relating to the Flexible Rate Bonds or affecting the market for the Flexible Rate Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Flexible Rate Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Borrowers, but the Remarketing Agent's determination of the Flexible Rate Periods will be based solely upon the reasonable exercise of such Remarketing Agent's judgment.

(b) By 1:00 p.m., New York City time, on each Flexible Rate Determination Date, the Remarketing Agent, with respect to each Bond in the Flexible Mode which is subject to adjustment on such date, shall determine the Flexible Rate Period then selected for such Bond as described above and shall give notice by Electronic Means to the Bond Trustee and the Borrower, of the Flexible Rate Period, the Mandatory Purchase Date and the Flexible Rate for such Bond. The Remarketing Agent shall make the Flexible Rate and Flexible Rate Period available after 2:00 p.m., New York City time, on each Flexible Rate Determination Date by telephone or Electronic Means to any Beneficial Owner requesting such information.

Section 2.10. FRN Rates.

(a) Interest Rate Period. Whenever Bonds are continuing in an FRN Mode or in the case of a Conversion to the FRN Mode from another Interest Rate Mode, the initial FRN Interest Rate Period for such FRN Bonds shall commence on the FRN Rate Conversion Date and end on the last day of such FRN Interest Rate Period, which shall be the day immediately preceding the next FRN Rate Adjustment Date. At least one Business Day prior to the FRN Rate Conversion Date, the Borrower, in consultation with the Remarketing Agent, shall determine the FRN Index, the FRN Index Percentage, the FRN Rate Adjustment Date, the length of the FRN Interest Rate Period that begins on such FRN Rate Conversion Date, the dates during which such FRN Bonds may be called for optional redemption if different than as prescribed in Section 4.01(c) and the FRN Rate Determination Date for such FRN Interest Rate Period and shall give Electronic Notice of such to the Bond Trustee and the Borrower. The FRN Spread shall be determined by the

Remarketing Agent in conjunction with the Borrower and shall be the spread which, when added to or subtracted from the product of the FRN Index multiplied by the FRN Index Percentage, will result in the minimum FRN Spread which, in the judgment of the Remarketing Agent under prevailing market conditions for corporate securities in the judgment of the Remarketing Agent, will result in the remarketing of such FRN Bonds in the new FRN Interest Rate Period at a purchase price equal to their principal amount.

(b) Calculation of FRN Rate. Each FRN Rate shall be determined by the Calculation Agent from information provided by the Remarketing Agent by 5:00 p.m., New York City time, on the FRN Rate Determination Date to which it relates. Notice of each FRN Rate shall be given by the Calculation Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such interest FRN Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on such FRN Rate Determination Date. The Bond Trustee shall inform the Holders of FRN Bonds of each FRN Rate upon request.

(c) FRN Bonds Election. In the case of a Conversion to an FRN Rate from another Interest Rate Mode or the continuation of Bonds as FRN Bonds in a new FRN Interest Rate Period, the Borrower shall, prior to such FRN Rate Conversion Date or continuation, elect by Electronic Notice to the Bond Trustee, the Remarketing Agent and the Authority that such FRN Bonds be either FRN Rate Hard Put Bonds or FRN Rate Soft Put Bonds, and the related FRN Rate Mandatory Purchase Date with respect to such election.

Section 2.11. VRO Rates.

(a) Determination of Interest Rates During VRO Interest Rate Period.

(i) During each VRO Interest Rate Period, the Bonds shall bear interest at VRO Rates, which shall be determined by the applicable Remarketing Agent on each Business Day during the VRO Interest Rate Period by 6:00 p.m., New York City time for applicability on the following Business Day.

(ii) Each VRO Rate for any day shall be the rate of interest per annum determined by the applicable Remarketing Agent on or before 6:00 p.m., New York City time, on the previous Business Day to be the minimum interest rate which, if borne by Bonds, would enable the applicable Remarketing Agent (assuming all such Bonds were then available for sale and based on an examination of tax exempt obligations comparable, in the judgment of the Remarketing Agent, to such series of Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to sell all of such Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof; provided that the VRO Rate shall not exceed the Maximum Interest Rate. In determining the VRO Rate, the Remarketing Agent shall consider (but not be limited to considering) the following factors in determining prevailing market conditions: existing short term tax exempt market rates for securities, indices of such short term rates and the existing market supply and demand for securities

bearing such short term rates, existing yield curves for short term and long term securities for securities of issuers of credit quality comparable to the Bonds bearing interest at the VRO Rate, general economic conditions, industry economic and financial condition as the Remarketing Agent, in its sole discretion, shall determine to be relevant. The VRO Rate for any day which is not a Business Day shall be the same as the VRO Rate for the immediately preceding Business Day. The determination of the VRO Rate by the Remarketing Agent shall be conclusive and binding on the Authority, the Borrower, the Bond Trustee and the Bondholders.

(iii) All of the Bonds in the VRO Interest Rate Period shall at all times bear the same rate of interest.

(iv) If for any reason a VRO Rate is not so established on any Business Day by the applicable Remarketing Agent, the VRO Rate for such Business Day to but excluding the next Business Day shall be the same as the VRO Rate for the immediately preceding Business Day, and such rate shall continue until the earlier of (A) the date on which such Remarketing Agent determines a new VRO Rate for such Bonds or (B) the fifth consecutive Business Day succeeding the first such Business Day on which such VRO Rate is not determined by such Remarketing Agent. In the event that a VRO Rate shall be held to be invalid or unenforceable by a court of law, or the applicable Remarketing Agent fails to determine a new VRO Rate for a period of five consecutive Business Days succeeding such Business Day as described in clause (B) of the immediately preceding sentence, all such Bonds shall bear interest at the VRO Step Up Rate from the applicable Business Day until the Business Day following the date on which a new VRO Rate is established by the Remarketing Agent that is, in any case, valid and enforceable under applicable law.

(b) Optional Tender during VRO Interest Rate Period; Remarketing.

(i) During any VRO Interest Rate Period, the Holder of a Bond (or, if the book-entry only system described in Section 2.21 is in effect, the participant to whose account such a Bond is credited) may, at its option, tender such Bond or any portion thereof in an Authorized Denomination (provided that the amount of any such Bond not to be purchased shall also be in an Authorized Denomination) for purchase by delivering an irrevocable written notice (a "VRO Interest Rate Period Tender Notice") to the Bond Trustee and the Remarketing Agent on any Business Day prior to 5:00 p.m., New York City time (the "VRO Interest Rate Period Tender Notice Date"). A VRO Interest Rate Period Tender Notice shall state the principal amount of such Bonds to be purchased (the "VRO Interest Rate Period Designated Amount"). The giving of a VRO Interest Rate Period Tender Notice by a Bondholder or Participant with respect to a Bond shall constitute an irrevocable tender for purchase of the VRO Interest Rate Period Designated Amount of such Bonds effective on the fifth Business Day following the VRO Interest Rate Period Tender Notice Date (the "VRO Interest Rate Period Purchase Date"); provided, however, that if a VRO Interest Rate Period Tender Notice is not received by the Remarketing Agent prior to 5:00 p.m., New York City time, on any Business Day,

the VRO Interest Rate Period Tender Notice Date will be deemed to be the next succeeding Business Day.

(ii) Upon receipt of a VRO Interest Rate Period Tender Notice, the Remarketing Agent shall offer for sale, and use its best efforts to sell, the VRO Interest Rate Period Designated Amount of Bonds in the VRO Rate with respect to which a VRO Interest Rate Period Tender Notice has been received by the Remarketing Agent (“VRO Interest Rate Period Tendered Bonds”) at a price equal to par plus unpaid interest accrued until but excluding the VRO Interest Rate Period Purchase Date (the “VRO Interest Rate Period Purchase Price”) for purchase on the VRO Interest Rate Period Purchase Date.

(iii) If multiple Holders of Bonds deliver VRO Interest Rate Period Tender Notices on different VRO Interest Rate Period Tender Notice Dates, there will be multiple VRO Interest Rate Period Purchase Dates and the Remarketing Agent shall first attempt to remarket VRO Interest Rate Period Tendered Bonds having the earliest VRO Interest Rate Period Purchase Date.

(iv) If the Remarketing Agent successfully remarkets the VRO Interest Rate Period Tendered Bonds by identifying a purchaser for such VRO Interest Rate Period Tendered Bonds during the period beginning on the VRO Interest Rate Period Notice Date for such VRO Interest Rate Period Tendered Bonds and ending on the Business Day immediately preceding the VRO Interest Rate Period Purchase Date for such VRO Interest Rate Period Tendered Bonds (a “VRO Interest Rate Period Remarketing Window”), the Remarketing Agent shall give notice (a “VRO Interest Rate Period Remarketing Notice”) to Holders of such VRO Interest Rate Period Tendered Bonds that a purchaser has been identified for a purchase of such VRO Interest Rate Period Tendered Bonds on the VRO Interest Rate Period Purchase Date.

(v) For payment of the VRO Interest Rate Period Purchase Price on the VRO Interest Rate Period Purchase Date, VRO Interest Rate Period Tendered Bonds which have been successfully remarketed must be delivered at or prior to 11:00 a.m., New York City time, on the VRO Interest Rate Period Purchase Date to the Remarketing Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent. If VRO Interest Rate Period Tendered Bonds are delivered after that time, the VRO Interest Rate Period Purchase Price will be paid on the Business Day immediately following such delivery.

(c) VRO Interest Rate Period Failed Remarketing Event.

(i) If, for any reason, any VRO Interest Rate Period Tendered Bonds are not successfully remarketed during a VRO Interest Rate Period Remarketing Window (a “VRO Interest Rate Period Failed Remarketing Event”), all VRO Interest Rate Period Tendered Bonds shall continue to be owned by their respective Holders and no VRO Interest Rate Period Tendered Bonds shall be tendered or

purchased on their respective VRO Interest Rate Period Purchase Dates and such failure shall not constitute an Event of Default. Upon the occurrence of a VRO Interest Rate Period Failed Remarketing Event, (A) the Remarketing Agent shall notify the Bond Trustee and the Borrower, (B) all Bonds in the VRO Interest Rate Period shall become subject to mandatory redemption on the VRO Interest Rate Period Special Mandatory Redemption Date, (C) the Remarketing Agent will no longer determine the VRO Rate on a daily basis, and (D) all Bonds in the VRO Interest Rate Period shall bear interest at the VRO Step Up Rate until the earliest to occur of (1) the VRO Interest Rate Period Special Mandatory Redemption Date, (2) the optional redemption, at the direction of the Borrower, of all the Bonds in the VRO Interest Rate Period, (3) the date on which all of the Bonds in the VRO Interest Rate Period are successfully remarketed, (4) the redemption of each Bond in the VRO Interest Rate Period, and (5) the date on which a Conversion of the Bonds from the VRO Mode to a different Interest Rate Mode shall occur.

(ii) Following the occurrence of a VRO Interest Rate Period Failed Remarketing Event, the Remarketing Agent shall offer for sale, and use its best efforts to sell, all Bonds in the VRO Interest Rate Period at a price equal to par plus unpaid interest accrued to but excluding the expected VRO Interest Rate Period Remarketing Date (as defined below) (such price, the “VRO Interest Rate Period Remarketing Date Purchase Price”). Upon identifying a purchaser or purchasers for all (but not less than all) of the Bonds (but subject to the immediately following paragraph), the Remarketing Agent shall give a VRO Interest Rate Period Remarketing Notice to the Bond Trustee, the Authority, the Borrower and all Holders of Bonds that a purchaser or purchasers have been identified for the purchase of the Bonds on the date set forth in such VRO Interest Rate Period Remarketing Notice (the “VRO Interest Rate Period Remarketing Date”), which VRO Interest Rate Period Remarketing Date shall be the fifth Business Day following the date of delivery of the VRO Interest Rate Period Remarketing Notice, and all Bonds shall be subject to mandatory tender for purchase at the VRO Interest Rate Period Remarketing Date Purchase Price. Upon receipt, the Bond Trustee shall file or cause to be filed such VRO Interest Rate Period Remarketing Notice with EMMA and DTC.

(iii) For payment of the VRO Interest Rate Period Remarketing Date Purchase Price on the VRO Interest Rate Period Remarketing Date, Holders of all Bonds in the VRO Interest Rate Period must deliver Bonds at or prior to 11:00 a.m., New York City time, on the VRO Interest Rate Period Remarketing Date to the Remarketing Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent, executed in blank by the Holder thereof or by the Holder’s duly authorized attorney, with such signature guaranteed by a member of the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Remarketing Agent. If VRO Interest Rate Period Tendered Bonds are delivered after that time, the VRO Interest Rate Period Remarketing Date Purchase Price will be paid on the immediately following Business Day.

(iv) On the Business Day following the VRO Interest Rate Period Remarketing Date, the Remarketing Agent shall resume resetting the interest rate on such Bonds pursuant to the provisions set forth in the Bonds as described in Section 2.11(a) and the Bonds will no longer be subject to mandatory redemption on the VRO Interest Rate Period Special Mandatory Redemption Date.

Section 2.12. Window Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Window Rate, each Window Rate shall be in effect for each Window Interest Rate Period, which shall commence on and include Thursday and end on and include the next succeeding Wednesday, unless such Window Interest Rate Period ends on a day other than Wednesday, in which event the last Window Rate for such Window Interest Rate Period will apply to the Window Interest Rate Period commencing on and including the Thursday preceding the last day of such Window Interest Rate Period and ending on and including the last day of such Window Interest Rate Period; provided, however, that in the case of a Conversion to a Window Mode from another Interest Rate Mode, the initial Window Interest Rate Period for the Bonds shall commence on the such Conversion Date.

(b) Calculation of Window Rate. Each Window Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on the applicable Window Rate Determination Date, which Window Rate shall be equal to the SIFMA Index on such Window Rate Determination Date plus the Window Rate Spread. The Calculation Agent shall furnish each Window Rate so determined to the Bond Trustee, the Remarketing Agent, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no later than the Business Day next succeeding the date of determination.

The sum of the SIFMA Index plus the Initial Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such Bonds on the applicable Conversion Date at a price equal to the principal amount thereof. During a Window Period with respect to the Bonds, the Remarketing Agent may (i) with the consent of the Borrower, increase the Window Rate Spread with respect to such Bonds effective as of any Window Rate Optional Purchase Date, any Borrower Elective Purchase Date or any Window Rate Mandatory Purchase Date, or (ii) reduce the Window Rate Spread effective as of any Borrower Elective Purchase Date or any Window Rate Mandatory Purchase Date. The sum of the SIFMA Index plus the revised Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such Bonds on the effective date of the revised Window Rate Spread at a price equal to the principal amount thereof. A revised Window Rate Spread shall apply

to all Bonds bearing interest at a Window Rate as of the effective date of the revised Window Rate Spread.

The Remarketing Agent shall give Electronic Notice of the revised Window Rate Spread to the Bond Trustee not later than the second Business Day after the effective date of such revised Window Rate Spread. The Bond Trustee shall give notice of such revised Window Rate Spread by Electronic Notice, confirmed by first class mail, to the Holders, with a copy to the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Spread from the Remarketing Agent. If a court holds that the Window Rate set for any Window Interest Rate Period is invalid, illegal or unenforceable or if the SIFMA Index is not available for any week, the Window Rate for such Window Interest Rate Period shall be determined by the Remarketing Agent and shall be equal to a rate per annum equal to 85% of the interest rate on 30 day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on such Window Rate Determination Date, plus the Window Rate Spread. The SIFMA Index shall be used in the calculation of the Window Rate Spread whenever the SIFMA Index is available.

Section 2.13. Direct Purchase Rates.

(a) Determination of Direct Purchase Rates. For any Direct Purchase Period, interest on the Bonds shall be payable on each Interest Payment Date for each applicable Interest Accrual Period commencing on the Interest Accrual Date preceding such Interest Payment Date. For any Direct Purchase Period, the Direct Purchase Rate shall be determined by utilizing the Applicable Spread, the Applicable Factor, if applicable, and the Direct Purchase Index for such Direct Purchase Period, all in a manner determined by the Direct Purchaser or the Market Agent prior to the Conversion to any Direct Purchase Period or as otherwise set forth in a Supplemental Bond Indenture or in the applicable Bondholder Agreement (the Direct Purchase Rate, unless otherwise established in a Supplemental Bond Indenture or in a Bondholder Agreement, to be the sum of (i) the Applicable Factor, if applicable, multiplied by the Direct Purchase Index plus (ii) the Applicable Spread, per annum). If required by a Supplemental Bond Indenture or in a Bondholder Agreement, during an Event of Default the Bonds in a Direct Purchase Period shall bear interest at the Default Rate all as further described in a Supplemental Bond Indenture or the applicable Bondholder Agreement. Additionally, if required by a Supplemental Bond Indenture or in a Bondholder Agreement following a Determination of Taxability, the Bonds in a Direct Purchase Period shall bear interest at a Taxable Rate (as defined in a Supplemental Bond Indenture or a Bondholder Agreement) all as further described in a Supplemental Bond Indenture or applicable Bondholder Agreement. For Direct Purchase Bonds bearing interest at a Direct Purchase Index Rate, the Calculation Agent shall determine the Direct Purchase Rate on each Direct Purchase Rate Determination Date to become effective on the immediately succeeding Index Reset Date during the Direct Purchase Period, and interest shall accrue at such rate for each day during the Interest Accrual Period commencing on the Index Reset Date. The Direct Purchase Index Rate shall be rounded, if necessary, to the fifth decimal place. For each Direct Purchase Period, prior to the commencement of such Direct Purchase Period, the Direct Purchaser or the Market Agent shall also determine the Direct Purchase Period, the Interest Accrual Period, the Direct

Purchase Rate Mandatory Purchase Date, the Direct Purchase Period Earliest Redemption Date (if applicable), the Term Out Period (if applicable), and the Term Out Rate (if applicable). During each Direct Purchase Period, the Direct Purchase Bonds shall be subject to optional redemption as provided in Section 4.01(h) hereof.

(b) Conversion to Direct Purchase Period. Subject to Section 2.15, at any time, the Borrower, by Electronic Notice to the Bond Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, and the Remarketing Agent, may direct that all, but not less than all, Bonds shall be converted to bear interest at a Direct Purchase Rate. Such direction of the Borrower shall specify the proposed Conversion Date, which shall be (1) a Business Day not earlier than the twentieth (20th) day following receipt by the Bond Trustee of such direction, (2) in the case of a Conversion from a Long Term Period, the Business Day immediately following the last day of the then current Long Term Period, and (3) in the case of a Conversion from a Fixed Period, only on any date during the period such Fixed Bonds are subject to optional redemption pursuant to Section 4.01(g) hereof. In addition, with respect to the Series 2024B-1 Bonds, such direction shall be accompanied by a letter of Bond Counsel that it expects to be able to render a Favorable Opinion of Bond Counsel on the proposed Conversion Date. In addition, such direction shall specify the duration of the Direct Purchase Period immediately following the proposed Conversion Date.

(c) Notice of Conversion to Direct Purchase Mode. The Bond Trustee shall give notice of a Conversion to a Direct Purchase Mode to the Holders of the Bonds in accordance with Section 2.15(f)(iii) hereof.

(d) Direct Purchase Bonds; Bond Indenture Provisions. The following shall apply during each Direct Purchase Period:

(i) The Direct Purchase Bonds shall be in Authorized Denominations.

(ii) In a Direct Purchase Period, if directed by the Direct Purchaser, the Direct Purchase Bonds shall be registered in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one Bond certificate for each interest rate and Maturity Date; provided that failure of the Direct Purchaser to provide such notice shall not affect the obligations of the Borrower to pay such amounts pursuant to the terms of this Bond Indenture and the Loan Agreement.

(iii) Unless otherwise directed by the Direct Purchaser, the Borrower shall cause physical delivery of the Direct Purchase Bonds to the Direct Purchaser. If applicable, each Bond bearing interest at the Direct Purchase Rate shall contain a legend indicating that the transferability of such Bond is subject to the restrictions set forth in this Bond Indenture.

(iv) No modifications or amendments to, or waivers of, the terms of the Direct Purchase Bonds, this Bond Indenture, the Bondholder Agreement, or any related documents, by the Direct Purchaser shall be made or granted without the

receipt by the Authority, the Bond Trustee and the Borrower of a Favorable Opinion of Bond Counsel.

(v) As provided in Section 7.14 hereof, and subject to the provisions of the Master Indenture, during any period when the Direct Purchase Bonds are in the Direct Purchase Mode, the Direct Purchaser, as the sole Holder of such Direct Purchase Bonds, shall have the right to enforce the rights and remedies provided to the Bond Trustee hereunder and to control all proceedings relating to the exercise of such rights and remedies in its own name and not subject to the restrictions contained herein.

Section 2.14. Fixed Rates.

(a) Interest Rate Period.

(i) During the Initial Fixed Period with respect to the Bonds, the Bonds shall contain substantially the terms recited in the form of Bond attached hereto as Exhibit A and in Exhibit B attached hereto.

(ii) During each subsequent Fixed Period, the Bonds shall bear interest at the Fixed Rate. Whenever Bonds are to bear interest accruing at a Fixed Rate, the Fixed Rate shall commence on the Issuance Date with respect to such Bonds, or a Fixed Rate Conversion Date, as the case may be, and any Fixed Period shall extend to the Maturity Date of such Bonds subject to the ability of the Borrower to designate a Conversion Date for such Fixed Bonds pursuant to the provisions of Section 2.15.

(b) Determination Time. Interest on the Bonds in a Fixed Period other than the Initial Fixed Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or before the Business Day immediately preceding the Fixed Rate Conversion Date. Notice of each Fixed Rate shall be given by the Remarketing Agent to the Bond Trustee and the Borrower by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Fixed Rate determined by the Remarketing Agent upon request of any such Holder.

(c) Remarketing. The Fixed Rate for the Bonds in a Fixed Period other than the Initial Fixed Period shall be the rate or rates of interest per annum borne by the Bonds which shall be the lowest rate or rates of interest that, in the judgment of the Remarketing Agent, would cause such Bonds to have a purchase price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that bear interest at a fixed rate, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds as of the date of determination. Notwithstanding the foregoing, the Fixed Rate may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such Bonds, after taking into account any premium or discount at which

such Bonds are sold by the Remarketing Agent; provided that in connection with selling such Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Bond Trustee and the Borrower that the sale of the Bonds at the Fixed Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds based on the market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the reasonable judgment of the Remarketing Agent, are otherwise comparable to the Bonds based on prevailing market conditions on the commencement date of the Fixed Period;

(ii) The Borrower consents in writing to the sale of the Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of Bonds to be sold at a discount, either (A) a Credit Facility or a Liquidity Facility is in effect with respect to the Bonds at the time of the Fixed Rate Conversion Date and provides for the purchase of such Bonds from the tendering Holders at par or (B) if no Credit Facility or Liquidity Facility is in effect with respect to the Bonds at the time of the Fixed Rate Conversion Date, the Borrower agrees to transfer to the Bond Trustee on the Fixed Rate Conversion Date, in immediately available funds, for deposit in the Borrower Purchase Account, an amount equal to such discount;

(iv) In the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with any direction included in the Favorable Opinion of Bond Counsel delivered pursuant to subsection (v) below or, if no such direction is included and no other instructions are received by the Remarketing Agent from Bond Counsel related to the use of such premium, then to the Bond Trustee for deposit in the Revenue Fund; and

(v) On or before the Fixed Rate Conversion Date with respect to the Series 2024B-1 Bonds, a Favorable Opinion of Bond Counsel to the effect that such determination of the Fixed Rate will not, in and of itself, cause the interest on the Series 2024B-1 Bonds to be included in the gross income of the Holders for federal income tax purposes shall have been received by the Bond Trustee, the Authority, the Borrower and the Remarketing Agent.

Section 2.15. Conversions.

(a) In the event that the Borrower shall elect to effect a Conversion of the Bonds (or a portion of the Bonds), then the written Conversion direction furnished by the Borrower shall be made by Electronic Notice. Notwithstanding anything in this Bond Indenture to the contrary, any such Conversion may be with respect to all or a portion of the Bonds. Any Bonds to be converted in part shall be selected randomly, and the portion of the Bonds to be converted shall be re-designated as a new Series to distinguish such portion from the portion of Bonds not to be converted. All references herein to any Conversion of Bonds shall refer to the portion of Bonds that is subject to Conversion in the

event that less than all of such Bonds are subject to Conversion. The following shall constitute a Conversion for purposes of this Section 2.15: (i) a conversion from any Direct Purchase Interest Rate Period to the next Direct Purchase Interest Rate Period; (ii) a conversion of FRN Bonds into a new FRN Interest Rate Period; (iii) a conversion from one Fixed Period to a new Fixed Period; (iv) a conversion from any Short Term Interest Rate Period to a new Short Term Interest Rate Period; (v) a conversion from any Long Term Interest Rate Period to a new Long Term Interest Rate Period; (vi) a conversion from one Flexible Rate Period to a new Flexible Rate Period; and (vii) a conversion from any Interest Rate Mode to a different Interest Rate Mode.

(b) Notwithstanding anything in this Article II, in connection with any proposed Conversion of Bonds (or a portion of the Bonds, as applicable) on a Purchase Date that is not otherwise a Mandatory Purchase Date, the Borrower shall have the right to deliver to the Bond Trustee, the Authority, the Remarketing Agent, if any, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, on or prior to 10:00 a.m., New York City time, on the effective date of any such Conversion, a notice to the effect that the Borrower elects to rescind its election to implement any such Conversion. If the Borrower rescinds its election to implement any such Conversion, then such Conversion shall not occur, the mandatory tender shall not occur (unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii), (ix) and (x) hereof), and, except as otherwise provided herein, the Bonds shall continue to bear interest in the current Interest Rate Mode and the current interest rate in effect immediately prior to such proposed Conversion Date.

(c) No Conversion shall take effect under this Bond Indenture unless each of the following conditions and the conditions set forth in paragraph (f) of this Section 2.15, to the extent applicable, shall have been satisfied.

(i) In the case of any Conversion with respect to which there shall be no Liquidity Facility or Credit Facility in effect to provide funds for the purchase of Bonds to be converted on the Conversion Date, the remarketing proceeds and funds in the Borrower Purchase Account and available on the Conversion Date shall not be less than the amount required to purchase all of the Bonds to be converted at the applicable Purchase Price.

(ii) In the case of any Conversion of Bonds to any Interest Rate Mode (except a Direct Purchase Period), prior to the Conversion Date the Borrower shall have appointed a Remarketing Agent and there shall have been executed and delivered a Remarketing Agreement.

(iii) If such Conversion is with respect to less than all of the Bonds, the Bonds shall be designated as separate sub-Series as provided in Section 2.01 hereof.

(d) If, on a Conversion Date, any condition precedent to a proposed Conversion shall not have been satisfied, then such Conversion shall not occur and the Bonds or portion thereof to have been converted shall continue to bear interest in the current Interest Rate Mode and at the current interest rate as in effect immediately prior to such proposed

Conversion Date, and the Bonds or portion thereof, subject to and unless otherwise provided in Section 4.18 hereof, shall not be subject to mandatory tender for purchase on the proposed Conversion Date, unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (x) hereof.

(e) Notwithstanding anything in this Article II to the contrary, in connection with any Conversion that would require the mandatory tender for purchase of Bonds at a Purchase Price greater than the principal amount thereof, the Borrower, as a condition to implementing such Conversion, shall deliver to the Bond Trustee on or prior to the Conversion Date, immediately available funds for the purpose of paying such premium; provided however, if a Liquidity Facility or Credit Facility is then in effect with respect to such Bonds either (A) such Liquidity Facility or Credit Facility must provide for the payment of such premium on such Conversion Date, or (B) such premium shall be paid with Eligible Moneys on such Conversion Date.

(f) The Bonds may be converted in whole or in part in Authorized Denominations and in a minimum principal amount of \$5,000,000. Any Bonds subject to such Conversion may be assigned a new CUSIP number and shall be designated or numbered to distinguish each sub-Series of Bonds from another sub-Series. Bonds may be converted as follows:

(i) Conversion Date. Subject to the following provisions of this paragraph, all Conversion Dates shall occur on any date on which such Bonds are subject to optional redemption pursuant to Section 4.01(b), (c), (d), (f) or (g), as applicable; provided, however, that (A) for a Conversion of Long Term Bonds, such Conversion shall only occur on a Long Term Rate Mandatory Purchase Date on which such Long Term Bonds are subject to purchase pursuant to Section 4.07(a)(iii) or on any date when the Long Term Bonds are subject to optional redemption pursuant to Section 4.01(g) hereof, (B) for a Conversion of FRN Bonds such Conversion shall only occur on an FRN Rate Mandatory Purchase Date on which such FRN Bonds are subject to purchase pursuant to Section 4.07(a)(v) hereof or any date such FRN Bonds are subject to optional redemption pursuant to Section 4.01(e), and (C) for a Conversion of Direct Purchase Bonds, such Conversion shall only occur on a Direct Purchase Rate Mandatory Purchase Date pursuant to Section 4.07(a)(ix) or on any other date specified in a Supplemental Bond Indenture or in a Bondholder Agreement. Interest shall accrue on such Bonds at the new interest rate commencing on such Conversion Date, whether or not a Business Day. Any action required to be taken on such Conversion Date, if such day is not a Business Day, may be taken on the next succeeding Business Day as if it had occurred on such Conversion Date.

(ii) Notice of Intent to Convert. The Borrower shall give written notice of its intent to exercise its option to implement any such Conversion to the Authority, the Remarketing Agent, the Bond Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the affected Bonds by Electronic Notice not fewer than five days (or such shorter period as shall be

acceptable to the applicable parties) prior to the date on which the Bond Trustee is required to provide notice of Conversion to the Holders. The Borrower shall give written notice of its intent to exercise its option to implement any such Conversion to the Direct Purchaser, if any, with respect to the affected Bonds by Electronic Means not fewer than the number of days set forth in the applicable Supplemental Indenture or Bondholder Agreement. Such notice shall specify the proposed Conversion Date (as well as the sub-Series of Bonds to which the Conversion will be applicable).

(iii) Notice of Conversion and Mandatory Tender. Not fewer than (A) twenty (20) days prior to the proposed Conversion Date, for any Conversion of Fixed Bonds; and (B) fifteen (15) days prior to the proposed Conversion Date, for any Conversion of any other Bonds, the Bond Trustee shall give Electronic Notice, confirmed by first class mail, of the Conversion and, if applicable, of the mandatory tender of such Bonds to the Holders of such Bonds at their addresses as they appear on the Registration Books as of the date Electronic Notice of the election is received by the Bond Trustee from the Borrower.

(iv) Favorable Opinion of Bond Counsel. Any Conversion of the Series 2024B-1 Bonds pursuant to this Section 2.15 shall be subject to the conditions that, on or before the Conversion Date, the Borrower shall have delivered to the Authority, the Bond Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, a Favorable Opinion of Bond Counsel.

(v) Conditions to Conversion. Notwithstanding the Borrower's delivery of notice of the exercise of its option to effect a Conversion, such Conversion shall not take effect if:

(A) the Borrower withdraws such notice of the exercise of its option to effect Conversion not later than the date as provided by Section 2.15(b) or the date on which the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable, is to be determined, if permitted by Section 2.15(b);

(B) the Remarketing Agent fails to determine, when required, the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable;

(C) the notice to Holders of Bonds of the Conversion is not given when required;

(D) the Borrower fails to deliver to the Authority, the Bond Trustee and the Remarketing Agent the Favorable Opinion of Bond Counsel referred to above; or

(E) sufficient funds are not available by 2:00 p.m., New York City time, on the Conversion Date to purchase all of the Bonds required to be purchased on such Conversion Date.

(vi) Serialization Upon Fixed Rate Conversion. On and after the Fixed Rate Conversion Date, Bonds converted to the Fixed Rate Mode or for a subsequent Fixed Period shall mature on the same Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if any, as set forth in this Bond Indenture for the prior Interest Rate Mode or Fixed Period, as applicable, unless on the date the Remarketing Agent determines the Fixed Rate, the Remarketing Agent also determines, in its judgment, that such Bonds would bear a lower effective net interest cost based on the market for and the relative yields of the Bonds and other securities that bear interest at a fixed rate, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds if such Bonds were serial bonds, term bonds or a combination of serial bonds and term bonds with the Maturity Dates (or Sinking Fund Installments) and principal amounts that match the Maturity Dates (or Sinking Fund Installments) in effect prior to such Fixed Rate Conversion Date, in which event such Bonds shall become serial bonds, term bonds, or a combination of serial bonds and term bonds with such Maturity Dates (or Sinking Fund Installments) and principal amounts consistent with such determination and shall bear separate Fixed Rates for each Maturity Date. Notwithstanding the foregoing, the Borrower may deliver to the Bond Trustee a schedule of revised Maturity Dates and maturity amounts, including Sinking Fund Installments, for the Bonds then being converted to the Fixed Mode or from one Fixed Mode to another Fixed Mode; provided that, with respect to any such conversion of the Series 2024B-1 Bonds, such schedule be accompanied by a Favorable Opinion of Bond Counsel addressed to the Authority and the Bond Trustee.

(vii) Changes to Serial Maturity Dates in Connection with a Conversion from the Fixed Mode. Upon the Conversion of the Bonds from the Fixed Mode, the maturity date for any serial maturities of the Bonds shall become the final Maturity Date for such Bonds and principal amounts of such serial maturities of the Bonds while operating in the prior Fixed Mode shall become Sinking Fund Installments. All existing Sinking Fund Installments shall remain in effect and any term bond maturity installment (other than the installment due on the final Maturity Date) shall become a Sinking Fund Installment. The final Maturity Date of the Bonds and the amount of principal due on such final Maturity Date will not be changed. Notwithstanding the foregoing, the Borrower may deliver to the Bond Trustee a schedule of revised Maturity Dates and maturity amounts, including Sinking Fund Installments, for the Bonds then being converted from the Fixed Mode; provided that, with respect to any such conversion of the Series 2024B-1 Bonds, such schedule be accompanied by a Favorable Opinion of Bond Counsel addressed to the Authority and the Bond Trustee.

Section 2.16. Execution and Authentication. The Bonds issued under this this Bond Indenture shall be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in the form attached hereto as Exhibit A, as applicable, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Bond shall be conclusive evidence and the only

competent evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds issued hereunder.

The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its President, the Vice President or Secretary or any other Authorized Representative of the Authority. In case any Authorized Representative of the Authority whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such Authorized Representative before the authentication of such Bonds, such signature or the facsimile thereof shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office or as a member or representative of the Authority until authentication; and any Bond may be signed on behalf of the Authority by such persons as are at the time of execution of such Bond proper officers, members or representatives of the Authority, even though at the date of this Bond Indenture, such person was not such an officer, member or representative.

Section 2.17. Registration, Transfer and Exchange. The Bond Trustee is hereby appointed “bond registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided. The Bond Trustee shall cause to be kept at its Corporate Trust Office the Registration Books, in which, subject to such reasonable regulations as it may prescribe, the Bond Trustee shall provide for the registration, transfer and exchange of Bonds as herein provided.

Bonds may be transferred or exchanged only upon the Registration Books maintained by the Bond Trustee as provided in this Section. Upon surrender for transfer or exchange of any Bond at the Corporate Trust Office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity of any Authorized Denominations and of a like aggregate principal amount.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Trustee, as bond registrar) be duly endorsed, or be accompanied by a written instrument of transfer and such other documentation as may be requested by the Bond Trustee in form satisfactory to the Bond Trustee, as bond registrar, duly executed by the Owner thereof or his attorney or legal representative duly authorized in writing.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid special limited obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Bond Indenture, as the Bonds surrendered upon such transfer or exchange.

Direct Purchase Bonds may be transferred without limitation to any affiliate of the Direct Purchaser or to a trust or custodial arrangement established by the Direct Purchaser or any affiliate of the Direct Purchaser, each of the Holders of which is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act, subject to the limitations, if any, set forth in the Bondholder Agreement. Direct Purchase Bonds may also be transferred to a purchaser (other than an affiliate of the Direct Purchaser or a trust or custodial arrangement as described in the preceding sentence) if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the Borrower and the Bond Trustee by

such transferor, and (ii) such purchaser shall have delivered to the Borrower, the Authority, the Bond Trustee and the transferor an investor letter executed by a duly authorized officer of such purchaser; provided that each such purchaser (as certified in such investor letter) shall be (A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such transfer. Additionally, the transferability of Direct Purchase Bonds shall be subject to any further restrictions set forth in the applicable Bondholder Agreement. The Bond Trustee has no duty or obligation to confirm whether or not the requirements set forth above have been satisfied in connection with any transfer of the Bonds.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Bond Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Bond Trustee for making any transfer or exchange and the expense of any bond printing necessary to affect any such transfer or exchange shall be paid by the Borrower. In the event any Registered Owner fails to provide a certified taxpayer identification number to the Bond Trustee, the Bond Trustee may impose a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Bond Trustee from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The Bond Trustee shall not be required to (a) transfer or exchange any Bond (other than a Bond tendered for purchase under Section 4.06, 4.07, 4.08 or 4.09 hereof) during a period beginning 15 days before the day of the mailing of a notice from the Bond Trustee to the Owners of redemption of such Bond and ending at the close of business on the fifth Business Day after such mailing, or (b) transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Bonds and ending at the close of business on the relevant Interest Payment Date therefor.

The Person in whose name any Bond is registered on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes, except as otherwise provided in this Bond Indenture when a book-entry system is in effect for the Bonds, and payment of or on account of the principal and Redemption Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond Trustee will keep the Registration Books on file at its Corporate Trust Office, which shall include a list of the names and addresses of the last known Owners of all Bonds and the serial numbers of such Bonds held by each of such Owners. At reasonable times and under reasonable regulations established by the Bond Trustee, the list may be inspected and copied by the Authority, the Borrower, or the Owners of 10% in Outstanding principal amount of the Bonds or the authorized representative thereof, provided that the ownership of such Owner and the

authority of any such designated representative shall be evidenced to the satisfaction of the Bond Trustee.

The transferor of a Bond shall also provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.18. Reserved.

Section 2.19. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Trustee, or the Bond Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Authority and the Bond Trustee such security or indemnity as may be required by the Bond Trustee to save each of them harmless, then, in the absence of notice to the Bond Trustee that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and the Bond Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same principal amount, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the Authority and the Bond Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Bond, shall constitute an original additional contractual obligation of the Authority, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Bond Indenture equally and ratably with all other Outstanding Bonds.

Section 2.20. Cancellation of Bonds. All Bonds surrendered to the Bond Trustee for payment, redemption, transfer, exchange or replacement shall be promptly cancelled by the Bond Trustee. The Authority or the Borrower may at any time deliver to the Bond Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Authority or the Borrower may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bond Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Bond Indenture. All cancelled Bonds held by the Bond Trustee shall be destroyed and disposed of by the Bond Trustee in accordance with applicable record retention requirements. The Bond Trustee shall execute and deliver to the Authority and the Borrower a certificate describing the Bonds so cancelled.

Section 2.21. Use of Securities Depository. Notwithstanding any provision of this Bond Indenture to the contrary, but subject to Section 2.13(d) hereof during the Direct Purchase Period when the Bonds may be in definitive certificated form registered in the name of the Direct Purchaser until otherwise directed by the Direct Purchaser, it is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the “DTC System”), as

set forth herein, and the ownership of each such Bond shall be registered on the Registration Books in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Authority and the Bond Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations.

With respect to Bonds registered in the Registration Books in the name of Cede & Co., as nominee of DTC, the Authority and the Bond Trustee shall have no responsibility or obligation to any broker dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker dealer, bank or other financial institution being referred to herein as a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (each such person being herein referred to as an “Indirect Participant”). Without limiting the immediately preceding sentence, the Authority and the Bond Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., any Depository Participant or any Indirect Participant with respect to the ownership interest in the Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Registration Books, of any amount with respect to principal or Redemption Price of or interest on, the Bonds, (d) any consent given by the Securities Depository as registered owner, or (e) subject to Article IV, the selection by the Securities Depository or any Depository Participant of any beneficial owners to receive payment if Bonds are redeemed in part. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Bond Trustee of written notice from DTC to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the payment to the registered owners of Bonds at the close of business on the Record Date applicable to any interest payment date, the name “Cede & Co.” in this Bond Indenture shall refer to such new nominee of DTC.

The Authority has executed the Letter of Representations. Such Letter of Representations is for the purpose of effectuating the book-entry only system only and shall not be deemed to amend, supersede or supplement the terms of this Bond Indenture which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Bond Indenture, the terms of this Bond Indenture shall control. The Securities Depository may exercise the rights of a Bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 2.22. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) the Bond Trustee determines (with the Authority’s consent) that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) the Borrower (with the consent of the Bond Trustee) determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Bond Trustee or the Authority shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or

more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered on the Registration Books in the name of Cede & Co., as nominee of DTC but may be registered in the name of the successor security depository, or its nominee, in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. In connection with any proposed transfer outside the book-entry only system, the Borrower or DTC shall provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.23. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations. The Bond Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Bond Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants.

Section 2.24. Calculation Agent.

(a) The Borrower shall appoint a Calculation Agent for the Bonds in the Direct Purchase Mode, if applicable, the FRN Mode and the Windows Mode, subject to the conditions set forth below. Any Calculation Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority, the Borrower and the Bond Trustee in which the Calculation Agent will agree to perform all calculations and provide all notices required of the Calculation Agent under this Bond Indenture.

(b) The Calculation Agent may at any time resign and be discharged of the duties and obligations created by this Bond Indenture by giving at least 60 days’ notice to the Authority, the Borrower, the Bond Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Upon receipt of such notice, during any Interest Rate Period in which the services of a Calculation Agent are required under this Bond Indenture, the Borrower has agreed in the Loan Agreement to diligently seek to appoint a successor Calculation Agent to assume the duties of the Calculation Agent on the effective date of the prior Calculation Agent’s resignation. During the pendency of the Borrower appointing a new Calculation Agent, the Borrower shall itself act as Calculation Agent, and service in such case shall commence on the effective date of the resignation of the prior Calculation Agent and to remain in effect until a successor Calculation Agent assumes such position in accordance with the provisions hereof. The Calculation Agent may be removed at any time by written notice from the Borrower to the Authority, the Bond Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, the Direct Purchaser, if any and the Remarketing Agent, provided that

such removal shall not be effective until a successor Calculation Agent assumes such position in accordance with the provisions hereof.

(c) The Bond Trustee shall, within 30 days of receipt from a Responsible Officer of the Bond Trustee of notice of the resignation or removal of the Calculation Agent or the appointment of a successor Calculation Agent, give notice thereof by Electronic Notice, confirmed by first class mail, to the registered owners of the Bonds.

(d) Promptly after determining any interest rate required to be determined by the Calculation Agent under this Bond Indenture, the Calculation Agent shall provide Electronic Notice to the Bond Trustee, the Remarketing Agent and any requesting Holder who has provided it with appropriate notice address.

ARTICLE III ISSUANCE OF SERIES 2024B-1 BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Series 2024B-1 Bonds.

The Series 2024B-1 Bonds in the aggregate principal amount of \$[_____] shall forthwith be executed by the Authority and delivered to the Bond Trustee for authentication.

Prior to the delivery by the Bond Trustee of the Series 2024B-1 Bonds, the following shall be delivered to or deposited with the Bond Trustee:

- (a) a copy of the Final Bond Resolution;
- (b) a copy of the Board resolution of the Borrower authorizing the execution and delivery of the Borrower Documents and approving this Bond Indenture and the issuance and sale of the Series 2024B-1 Bonds;
- (c) original executed counterparts or certified copies of this Bond Indenture and each of the Borrower Documents and the original executed Master Note;
- (d) a signed opinion of Ballard Spahr LLP, in connection with certain matters required by the Bond Purchase Agreement, substantially in the form acceptable to the Authority;
- (e) (i) a signed opinion of Ballard Spahr LLP, Co-Bond Counsel, (ii) a signed opinion of Andre C. Dasent, P.C., Co-Bond Counsel and (iii) a signed opinion of John A. Schwab, Attorney at Law, LLC, Co-Bond Counsel, each in a form acceptable to the Authority;
- (f) a signed opinion of Barley Snyder LLP, counsel for the Authority, substantially in the form acceptable to the Borrower;
- (g) a request and authorization to the Bond Trustee on behalf of the Authority and signed by an Authorized Representative to authenticate and deliver the Series 2024B-1 Bonds in the aggregate principal amount of \$[_____] to the purchasers therein identified upon payment to the Bond Trustee, for the account of the Authority, of the sum specified in such request and

authorization, such proceeds to be paid over to the Bond Trustee and deposited to the credit of various funds established hereunder or as otherwise provided under Section 3.02 hereof; and

(h) any other certificate, opinion, document or payment required by Bond Counsel or by the Authority.

Section 3.02. Application of Proceeds of the Bonds.

(a) The Bond Trustee shall deposit the proceeds of the sale of the Series 2024B-1 Bonds in accordance with Section 5.02(e).

(b) The Borrower shall furnish to the Bond Trustee at the time the Series 2024B-1 Bonds are authenticated a Closing Statement signed by an Authorized Officer of the Borrower and the Authority (the "Closing Statement") as set forth in Section 5.02(e), showing: (i) the amount of the proceeds of the sale of the Series 2024B-1 Bonds; (ii) the amount of proceeds from the Series 2024B-1 Bonds to be retained in the Project Fund; (iii) the amounts payable from the Project Fund to the Borrower for reimbursement of prior expenditures related to the Capital Project, (iv) the amounts to be transferred from the Project Fund to fund the Refunding Project; and (v) the amounts to be transferred from the Project Fund to the Expenses Account to be applied for the payment of Costs of Issuance of the Series 2024B-1 Bonds, as applicable.

ARTICLE IV REDEMPTION AND TENDER OF BONDS

Section 4.01. Terms of Redemption.

(a) Extraordinary Optional Redemption. The Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of the Borrower, on any Interest Payment Date, in the event a substantial portion of the Borrower's facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued interest thereon to the redemption date, but only with Eligible Moneys at any time at which there is a Credit Facility that is a direct-pay letter of credit in effect with respect to such Bonds.

(b) Optional Redemption of Daily Bonds, Two Day Bonds, Weekly Bonds and Window Bonds. Daily Bonds, Two Day Bonds, Weekly Bonds and Window Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Business Day in such amounts as are designated by the Borrower at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium. For any Bonds that are enhanced with a Credit Facility that is a direct-pay letter of credit, such amounts shall be prepaid with Eligible Moneys.

(c) Optional Redemption of VRO Bonds. VRO Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Business Day in such amounts as are designated by the Borrower, at a Redemption

Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(d) Optional Redemption of Short Term Bonds. Short Term Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Interest Payment Date for such Short Term Bonds, in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(e) Optional Redemption of FRN Bonds. FRN Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, as follows: on any Business Day during the period beginning on the date established pursuant to Section 2.10(a) and ending on the last day of such FRN Period, in whole or in part, in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(f) Optional Redemption of Flexible Rate Bonds. Bonds in the Flexible Mode are not subject to optional redemption prior to their respective Purchase Dates. Bonds in the Flexible Mode shall be subject to redemption at the option of the Borrower, in whole or in part on their respective Purchase Dates at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(g) Optional Redemption of Long Term Bonds, Fixed Bonds and the Series 2024B-1 Bonds.

(i) During the Initial Fixed Period, the Series 2024B-1 Bonds are not subject to optional redemption prior to _____, 20____. The Series 2024B-1 Bonds maturing on and after _____, 20____ shall be subject to redemption prior to maturity at the option of the Borrower, in whole or in part on any Business Day on and after _____, 20____, in such order of maturity and in such amounts as may be designated by the Borrower, upon payment of a Redemption Price equal to 100% of the principal amount of the Series 2024B-1 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

(ii) Bonds in the Long Term Mode or Fixed Mode, other than during the Initial Fixed Period, are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part, in such amounts as may be designated by the Borrower, (i) on each Long Term Rate Mandatory Purchase Date with respect to Bonds in a Long Term Period, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, and (ii) after the applicable no call periods specified below with respect to Long Term Bonds or Fixed Bonds (or, with a Favorable Opinion of Bond Counsel, during such different periods and at such different Redemption Prices specified in a notice of the Borrower to the Bond Trustee in connection with the establishment of the Long Term Rate(s) or a Fixed Rate(s)), on

any date, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium:

Length of Long Term Period or Years Remaining to Maturity as of Fixed Rate Conversion Date or Long Term Conversion Date	Initial Redemption Dates (Anniversary of Fixed Rate Conversion Date or Long Term Conversion Date)
Equal to or less than 10 years	Not subject to optional redemption
Greater than 10 years	10th anniversary

(iii) The foregoing Section 4.01(g) notwithstanding, if the Borrower delivers to the Bond Trustee, the Remarketing Agent and the Authority on any Conversion Date or Purchase Date (for Bonds remaining Long Term Bonds for an additional Long Term Interest Rate Period) (1) a notice containing alternative call protection periods and/or Redemption Prices for Long Term Bonds or Fixed Bonds and (2) with respect to the Series 2024B-1 Bonds, a Favorable Opinion of Bond Counsel, then the Bonds shall be subject to redemption at the option of the Borrower, pursuant to the call protection periods and at the Redemption Prices, if any, set forth in that notice, and this Section 4.01(g) shall be deemed to be modified as set forth in such notice.

(h) Optional Redemption of Direct Purchase Bonds. Direct Purchase Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part at any time on or after their Direct Purchase Period Earliest Redemption Date, if any, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, with premium, if any, or, with a Favorable Opinion of Bond Counsel, as is set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

(i) Mandatory Redemption of VRO Bonds. VRO Bonds are subject to mandatory redemption on each VRO Interest Rate Period Special Mandatory Redemption Date (unless no longer effective pursuant to the terms of Section 2.11(c)(iv)) at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(j) Mandatory Redemption of Direct Purchase Bonds. Direct Purchase Bonds are subject to mandatory redemption at the times, in the amounts, and at the Redemption Prices, as may be set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement. Anything in this Bond Indenture to the contrary notwithstanding, no notice related to a mandatory redemption related to Sinking Fund Installments shall be required while the Bonds are in Direct Purchase Mode.

(k) Sinking Fund Redemption. The Bonds are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts and at the

times set forth in Section 5.05(d) at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(l) Redemption of Bank Bonds. All Liquidity Facility Bonds and Credit Facility Bonds shall also be subject to redemption as may be provided in the applicable Liquidity Facility Agreement or Credit Facility Agreement at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(m) Purchase in Lieu of Optional Redemption. Notwithstanding the above provisions in this Section 4.01, any Bonds subject to optional redemption and cancellation pursuant to Section 4.01(b), (c), (d), (e), (f), (g) or (h) above shall also be subject to optional call for purchase and, at the option of the Borrower, holding, resale or cancellation by the Borrower (i.e., a so called purchase in lieu of redemption) at the same times and at the same Redemption Prices as are applicable to the optional redemption of such Bonds as provided in such paragraphs, provided that purchase in lieu of optional redemption shall be subject to the same conditional requirements as conditional calls hereunder. To exercise such option, the Borrower shall give the Bond Trustee a Written Request exercising such option within the time period specified in Section 4.03 hereof as though such Written Request were a written request for redemption, and the Bond Trustee shall thereupon give the holders of the Bonds to be purchased notice of such purchase in the manner specified in Section 4.03 hereof as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the holders. On the date fixed for purchase pursuant to any exercise of such option, the Borrower or its assignee shall pay the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof; provided however that in the case of any Bonds that are at the time enhanced with a Credit Facility that is a direct-pay letter of credit, such purchase price shall be paid with Eligible Moneys. Following such purchase, the Bond Trustee shall cause such Bonds to be registered in the name of the Borrower or its assignees and shall deliver them to the Borrower or its assignee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with Section 4.02 hereof. No purchase of the Bonds pursuant to these provisions shall operate to extinguish the indebtedness of the Authority evidenced thereby (subject to all the terms and limitations contained in this Bond Indenture). Notwithstanding the foregoing, no purchase shall be made pursuant to this section (m) with respect to the Series 2024B-1 Bonds unless the Borrower shall have delivered to the Bond Trustee and the Authority concurrently therewith a Favorable Opinion of Bond Counsel.

(n) Denominations. All redemptions of less than all Bonds shall be in Authorized Denominations.

(o) Sinking Fund Adjustments. If there shall be any redemptions of Bonds other than sinking fund redemptions, the Borrower shall provide the Bond Trustee a revised Sinking Fund Installment schedule in order to reflect any such other redemptions.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Bond Indenture for the redemption of less than all of the Bonds or any given portion thereof, the Bond Trustee shall select the Bonds to be redeemed, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed in writing by the Borrower or in the absence of direction by lot; provided, however, that Bonds shall be redeemed in the following order of priority (and randomly within each priority):

FIRST: Any Bonds which are Bank Bonds; and

SECOND: Any other Bonds.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by the Bond Trustee, not less than 20 days nor more than 60 days prior to the redemption date to the Holders of Bonds called for redemption at their addresses appearing on the Registration Books as of the date of the giving of such notice. The Bond Trustee shall also give notice of redemption by Electronic Notice to the Remarketing Agent, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Securities Depository. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Bond Trustee), the Maturity Date, the CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that, subject to the deposit of sufficient funds with the Bond Trustee on or prior to the redemption date to effect the redemption and to prior rescission as provided in the next paragraph of this Section 4.03, on that date there will become due and payable on each of the Bonds the Redemption Price thereof or of the specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Any notice given pursuant to this Section 4.03 shall state (i) that it is conditioned upon the deposit with the Bond Trustee on or prior to the redemption date of moneys in an amount equal to the amount necessary to effect the redemption and (ii) that the notice may be rescinded by written notice given to the Bond Trustee by the Borrower on or prior to the date specified for redemption, and in either of such cases such notice and redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Bond for which a notice of redemption has been rescinded or for which sufficient funds to pay the Redemption Price thereof have not been deposited with the Bond Trustee on or prior to the redemption date shall remain outstanding and neither the rescission of the notice nor the failure to fund the Redemption Price shall constitute an Event of Default hereunder. The Bond Trustee shall give notice of such rescission or failure to fund the Redemption Price as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to this Section 4.03.

Failure by the Bond Trustee to give notice pursuant to this Section 4.03 to any one or more of the securities information services or depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to this Section 4.03 to any one or more of the respective Holders of

any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

Notice of redemption of Bonds shall be given by the Bond Trustee, at the direction and expense of the Borrower, for and on behalf of the Authority.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute (but need not prepare) and the Bond Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Borrower, a new Bond or Bonds of Authorized Denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered; provided, however, that during any Direct Purchase Period, there shall be no requirement for the Holder to present the Bonds for surrender in connection with a partial redemption of the Bonds.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Bond Indenture and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Bond Trustee for such payment.

All Bonds redeemed pursuant to the provisions of this Article IV shall be canceled upon surrender thereof (and if applicable credited against Sinking Fund Installments), unless resold at the direction of the Borrower in accordance with Section 4.01(m).

Section 4.06. Optional Tenders During Daily Periods, Two Day Periods, Weekly Periods, Window Periods and VRO Periods.

(a) Holders of Eligible Bonds may elect to have their Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds, or portions thereof in amounts in Authorized Denominations, purchased at the Purchase Price on the following Purchase Dates and upon giving the following Electronic Notice or written notice meeting the further requirements set forth below:

(i) Eligible Bonds with interest payable at a Daily Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 11:00 a.m., New York City time, on the designated Purchase Date.

(ii) Eligible Bonds with interest payable at a Two Day Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 1:00 p.m., New York

City time, on a Business Day not fewer than two days prior to the designated Purchase Date.

(iii) Eligible Bonds with interest payable at a Weekly Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(iv) Eligible Bonds with interest payable at a Window Rate may be tendered for purchase at the Purchase Price payable in immediately available funds upon delivery of Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 5:00 p.m., New York City time, on any Business Day for tender on a Window Rate Optional Purchase Date designated by the Remarketing Agent, if any.

(v) Eligible Bonds with interest payable at a VRO Rate may be tendered for purchase at the VRO Interest Rate Period Purchase Price in accordance with the applicable provisions of Section 2.11(b).

(b) Each notice of tender (other than a VRO Interest Rate Period Tender Notice which shall conform to the requirements set forth in Section 2.11(b)):

(i) Shall, in case of a written notice, be delivered to the Bond Trustee at its Corporate Trust Office and the Remarketing Agent at its Principal Office and be in form satisfactory to the Bond Trustee and the Remarketing Agent;

(ii) Shall state (A) the principal amount of the Daily Bond, Two Day Bond, Weekly Bond or Window Bond to which the notice relates and the CUSIP number of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond, (B) that the Holder irrevocably demands purchase of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond or a specified portion thereof in an Authorized Denomination, (C) for any Daily Bond, Two Day Bond or Weekly Bond, the Purchase Date on which such Daily Bond, Two Day Bond or Weekly Bond or portion thereof is to be purchased and (D) payment instructions with respect to the Purchase Price; and

(iii) Shall automatically constitute (A) an irrevocable offer to sell the Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) to which such notice relates on the Purchase Date (which, in the case of Window Bonds, shall be the Purchase Date, if any, designated by the Remarketing Agent pursuant to Section 4.11(b)(iii) (a "Window Rate Optional Purchase Date")), to any purchaser selected by the Remarketing Agent, with respect to the applicable Bonds at a price equal to the Purchase Price, (B) an irrevocable authorization and instruction to the Bond Trustee to effect transfer of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) upon receipt by the Bond

Trustee of funds sufficient to pay the Purchase Price on the Purchase Date (subject to Section 4.11(b)(iii) with respect to Window Bonds), (C) an irrevocable authorization and instruction to the Bond Trustee to effect the exchange of the Daily Bond, Two Day Bond, Weekly Bond or Window Bond to be purchased in whole or in part for other Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds in an equal aggregate principal amount so as to facilitate the sale of such Daily Bond, Two Day Bond, Weekly Bond or Window Bonds (or portion thereof to be purchased), and (D) an acknowledgment that such Holder will have no further rights with respect to such Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price therefor with the Bond Trustee on the Purchase Date, except for the right of such Holder to receive such Purchase Price upon surrender of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond to the Bond Trustee.

The determination of the Bond Trustee and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Holder. The Bond Trustee or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

(c) The right of Holders to tender Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds for purchase pursuant to this Section 4.06 shall terminate upon a Conversion Date with respect to such Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds, respectively, to an Interest Rate Mode that is not a Daily Mode, Two Day Mode, Weekly Mode, Window Mode or VRO Mode, respectively.

(d) Notwithstanding anything to the contrary herein, all Daily Bonds, Two Day Bonds or Weekly Bonds as to which Electronic Notice specifying the Purchase Date has been delivered pursuant to this Section 4.06 (and which have not been tendered to the Bond Trustee) shall be deemed tendered on the specified Purchase Date. From and after the specified Purchase Date of a Bond or Bonds tendered to the Bond Trustee or deemed tendered pursuant to this Section 4.06, the former Holder of such Bond or Bonds shall be entitled solely to the payment of the Purchase Price of such Bond or Bonds tendered or deemed tendered, which Purchase Price shall be payable only as set forth in Section 4.10(e) hereof.

(e) The Bond Trustee shall promptly return any notice of tender delivered pursuant to Section 4.06(b) hereof (together with the Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by Section 4.06(b) hereof to the Person or Persons submitting such notice and Bonds upon surrender of the receipt, if any, issued therefor.

(f) Notwithstanding anything herein or in the Loan Agreement to the contrary, in the event of the optional tender of any Daily Bonds, Two-Day Bonds or Weekly Bonds, and the failure of the Remarketing Agent to remarket any such Bonds, and the subsequent failure of the Liquidity Facility Provider or Credit Facility Provider, if any, to fund the Purchase Price of any such tendered Bonds pursuant to a Liquidity Facility or Credit

Facility, then the Borrower shall have the option, but not the obligation (other than its obligation pursuant to Section 4.05 of the Loan Agreement), to fund the Purchase Price of any such tendered Bonds, on or after the Purchase Date therefor.

Section 4.07. Mandatory Tender for Purchase of Bonds.

(a) Bonds shall be subject to mandatory tender for purchase by the Bond Trustee at the Purchase Price on the following Mandatory Purchase Dates with respect to such Bonds:

(i) Each Conversion Date for Bonds, as provided in Section 4.08 hereof except Conversions from the Weekly Mode to the Daily Mode and from the Daily Mode to the Weekly Mode; provided, however, that if such Conversion Date is already a Mandatory Purchase Date, as specified in Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii) (viii), (ix) and (x) hereof, no separate mandatory tender shall occur;

(ii) Each Short Term Rate Mandatory Purchase Date;

(iii) Each Long Term Rate Mandatory Purchase Date;

(iv) In connection with a Noticed Termination Date, an Expiration Date of the Credit Facility or the Liquidity Facility in effect with respect to any Bonds or the delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, on the dates and as provided in Sections 4.09, 4.17, 4.19 and 4.20 hereof, and, (A) during any time in which the Borrower has delivered a Self-Liquidity Arrangement for the Bonds as permitted herein, on the effective date of any Liquidity Facility or Credit Facility that is delivered to the Bond Trustee in substitution for such Self-Liquidity Arrangement and (B) during any time in which the Bonds are not supported by a Liquidity Facility, a Credit Facility or a Self-Liquidity Arrangement, on the effective date of any Liquidity Facility, Credit Facility or Self-Liquidity Arrangement that is delivered to the Bond Trustee in support of the Bonds;

(v) Each FRN Rate Mandatory Purchase Date;

(vi) Each Window Rate Mandatory Purchase Date, as provided in Section 4.11(b)(iii) hereof;

(vii) Each Borrower Elective Purchase Date for any Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds, as provided in Section 4.07(g) hereof;

(viii) Each VRO Interest Rate Period Remarketing Date as provided in Section 2.11(c)(ii) hereof;

(ix) Each Direct Purchase Rate Mandatory Purchase Date; and

(x) with respect to a Flexible Rate Bond, the first Business Day following the last day of each Flexible Rate Period.

(b) Bonds to be purchased pursuant to Section 4.07(a) hereof shall be delivered by the Holders thereof to the Bond Trustee (together with necessary assignments and endorsements) at or prior to 10:00 a.m., New York City time, on the applicable Purchase Date (provided, however, that the Holder of a Direct Purchase Bond subject to Conversion from a Direct Purchase Period to another Direct Purchase Period shall have the option to retain possession of such Direct Purchase Bond if such Holder is to continue to hold such Direct Purchase Bond for the ensuing Direct Purchase Period).

(c) Any Bonds to be purchased by the Bond Trustee pursuant to this Section 4.07 that are not delivered for purchase on or prior to the Mandatory Purchase Date, for which there has been irrevocably deposited in trust with the Bond Trustee an amount sufficient to pay the Purchase Price of such Bonds, shall be deemed to have been tendered to the Bond Trustee for purchase, and the Holders of such Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Purchase Date) other than the respective Purchase Prices of such Bonds, and such Bonds shall not be entitled to any benefits of this Bond Indenture, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid, subject, however, to the provisions of Article X hereof.

(d) In addition to any other requirements set forth in this Bond Indenture (except as otherwise provided in Section 2.11 hereof), notices of mandatory tender of Bonds delivered to Holders shall:

(i) Specify the proposed Mandatory Purchase Date and the event which gives rise to the proposed Mandatory Purchase Date;

(ii) State that such Bonds shall be subject to mandatory tender for purchase on such Mandatory Purchase Date;

(iii) State that Holders may not elect to retain such Bonds subject to mandatory tender;

(iv) State that all such Bonds subject to mandatory tender shall be required to be delivered to the Corporate Trust Office of the Bond Trustee at or before 10:00 a.m., New York City time, on the Mandatory Purchase Date;

(v) State that if the Holder of any Bond subject to mandatory tender fails to deliver such Bond to the Bond Trustee for purchase on the Mandatory Purchase Date, and if the Bond Trustee is in receipt of funds sufficient to pay the Purchase Price thereof, such Bond (or portion thereof) shall nevertheless be deemed purchased on the Mandatory Purchase Date and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof;

(vi) State that any Holder that fails to deliver any Bond for purchase shall have no further rights thereunder or under this Bond Indenture except the right to

receive the Purchase Price thereof upon presentation and surrender of said Bond to the Bond Trustee and that the Bond Trustee will place a stop transfer against the Bonds subject to mandatory tender registered in the name of such Holder(s) on the Registration Books;

(vii) State that if moneys sufficient to effect such purchase shall have been provided through (A) the remarketing of such Bonds by the Remarketing Agent, (B) the Credit Facility, if any, or the Liquidity Facility, if any, or (C) funds provided by the Borrower (if applicable), all such Bonds shall be purchased;

(viii) In the case of mandatory tender upon any proposed Conversion of Bonds, state that such Conversion and such mandatory tender will not occur in the event the conditions to Conversion specified in Section 2.15 hereof do not occur, and that any such failure to effect the Conversion shall not constitute an Event of Default (unless the Bonds, by their terms are otherwise subject to mandatory tender as described in Section 4.07(a) hereof);

(ix) In the case of mandatory tender as a result of the upcoming Expiration Date of the Credit Facility, if any, or the Liquidity Facility, if any, state that such mandatory tender will not occur, if, on or prior to the Mandatory Purchase Date, such Expiration Date is extended; and

(x) In the case of a mandatory tender on a VRO Rate Mandatory Purchase Date, contain the information required pursuant to Section 2.11 hereof.

(e) Notice of mandatory tender of Bonds by reason of a proposed Conversion shall be given in accordance with Section 2.15 hereof. Notice of mandatory tender of Bonds by reason of other events described in Section 4.07(a) hereof shall be given by the Bond Trustee (i) to the Holders of the Bonds subject to mandatory tender (at their addresses as they appear on the Registration Books as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (ii) to the Borrower, the Authority, the Remarketing Agent, the Calculation Agent, if any, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to such Bonds by Electronic Notice not fewer than 10 days prior to the applicable Mandatory Purchase Date (except in the case of a mandatory tender pursuant to Section 4.17 hereof, which notice period shall be as described therein, in the case of a mandatory tender of VRO Bonds pursuant to Section 4.07(a)(viii) hereof, which notice period shall be in accordance with Section 2.11, and in the case of a Window Rate Mandatory Purchase Date, which notice shall be given in accordance with Section 4.11(b)(iii) hereof). Any notice of mandatory tender pursuant to Section 4.07(g) hereof shall state that the mandatory tender of the Bonds on a Borrower Elective Purchase Date (as defined in Section 4.07(g)) is conditioned upon receipt by the Bond Trustee of sufficient remarketing proceeds to pay the Purchase Price of the Bonds on the Borrower Elective Purchase Date, that any failure to provide such funds shall not constitute an Event of Default, and that the notice of mandatory tender shall be rescinded in the event that sufficient remarketing proceeds are not deposited with the Bond Trustee on such Borrower Elective Purchase Date.

(f) If, following the giving of notice of mandatory tender of Bonds pursuant to Section 4.07(a) hereof, an event occurs which, in accordance with the terms of this Bond Indenture causes such mandatory tender not to occur, then (i) the Bond Trustee shall so notify the Holders of such Bonds (at their addresses as they appear on the Registration Books on the date of such notice), by Electronic Notice, confirmed by first class mail, as soon as may be practicable after the applicable Mandatory Purchase Date, and (ii) the Bond Trustee shall return to the Holders any such Bonds tendered to the Bond Trustee in connection with such mandatory tender of such Bonds.

(g) During any Daily Period, Two Day Period, Weekly Period or Window Period, the Bonds are subject to mandatory tender for purchase on any Business Day (a "Borrower Elective Purchase Date") designated by the Borrower, with the consent of the Liquidity Facility Provider or the Credit Facility Provider, if any, at the Purchase Price, payable in immediately available funds. Such Borrower Elective Purchase Date shall be a Business Day not earlier than the 10th day following the second Business Day after receipt by the Bond Trustee of such designation. If on a Borrower Elective Purchase Date sufficient remarketing proceeds are not available for the purchase of all Bonds, as applicable, then the Borrower's designation of such Borrower Elective Purchase Date for such Bonds shall be deemed rescinded, the Borrower shall have no obligation to purchase the Bonds tendered or deemed tendered on such Borrower Elective Purchase Date, and the failed remarketing shall not constitute an Event of Default under this Bond Indenture. The Bond Trustee shall give Electronic Notice of such rescission to the Holders, with a copy to the Borrower, the Authority, the Remarketing Agent and the Liquidity Facility Provider or the Credit Facility Provider, if any, as soon as practicable and in any event not later than the date of rescission of the proposed Borrower Elective Purchase Date.

Section 4.08. Mandatory Tender for Purchase on Conversion Date, on First Day of Each Interest Rate Mode, During Direct Purchase Period.

(a) Eligible Bonds shall be subject to mandatory tender for purchase on any Conversion Date (except for Conversions from the Weekly Mode to the Daily Mode and from the Daily Mode to the Weekly Mode) or on the first day of each Interest Rate Mode with respect to such Bonds, at the applicable Purchase Price for such Bonds, payable in immediately available funds, or, in the case of a purchase on the first day of an Interest Rate Mode which is preceded by a Long Term Period and which commences prior to the day originally established as the last day of such preceding Long Term Period, at a Purchase Price equal to the optional Redemption Price set forth in Section 4.01(g) hereof, plus accrued interest, if any. The Purchase Price of any Bond so purchased shall be payable only upon surrender of such Bond to the Bond Trustee at its Corporate Trust Office at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to Section 2.15 hereof.

(b) The Direct Purchase Bonds shall be subject to mandatory tender for purchase (i) on each Direct Purchase Rate Mandatory Purchase Date, and (ii) during any Direct Purchase Period, on the date which is the fifth (5th) Business Day following receipt of notice given to the Borrower and the Bond Trustee from the Direct Purchaser that an

event of default under the Bondholder Agreement has occurred and is continuing and directing a mandatory tender of the Direct Purchase Bonds.

Section 4.09. Mandatory Tender Upon Termination or Expiration of Liquidity Facility or Credit Facility. If a Liquidity Facility or Credit Facility has been delivered to the Bond Trustee in accordance with the provisions of the Loan Agreement, the Bonds supported by such Liquidity Facility or Credit Facility shall be subject to mandatory tender for purchase prior to the Noticed Termination Date or the Expiration Date, as applicable, for such Liquidity Facility or Credit Facility, on the dates determined pursuant to Section 4.17 hereof and as more particularly set forth in Section 4.17 hereof, at the Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable only upon surrender of such Bond to the Bond Trustee at its Corporate Trust Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Bond Trustee, executed in blank by the Holder thereof or by the Holder's duly authorized attorney, at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in a notice provided to the Holders by the Bond Trustee. Any drawing upon a Liquidity Facility or Credit Facility to pay the Purchase Price of Bonds subject to mandatory tender in connection with the delivery of an Alternate Credit Facility or an Alternate Liquidity Facility shall be made upon the existing Credit Facility or Liquidity Facility and not upon the Alternate Credit Facility or Alternate Liquidity Facility.

Section 4.10. General Provisions Relating to Tenders.

(a) Creation of Bond Purchase Fund.

(i) There shall be created and established hereunder with the Bond Trustee a fund to be designated the "Series 2024B-1 Bonds Bond Purchase Fund" (the "Bond Purchase Fund") to be held in trust only for the benefit of the Holders of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds.

(ii) There shall be created and designated the following accounts within the Bond Purchase Fund: the "Remarketing Proceeds Account," the "Liquidity Facility Account," the "Credit Facility Account," the "Borrower Purchase Account," and the "Undelivered Bond Payment Account," and within each such account, a sub-account for each sub-Series of Bonds if and as may be applicable. Moneys paid to the Bond Trustee for the purchase of tendered or deemed tendered Bonds received from (A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(i) hereof, (B) payments pursuant to a Liquidity Facility, if any, shall be deposited in the Liquidity Facility Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(ii) hereof, (C) payments pursuant to a Credit Facility, if any, shall be deposited in the Credit Facility Account (and the sub-account) in accordance with the provisions of Section 4.10(d)(ii) hereof, and (D) the Borrower (but only when and if the Borrower is obligated to provide such funds or otherwise elects to provide such funds) shall be deposited in the Borrower Purchase Account (and any sub-account)

in accordance with the provisions of Section 4.10(d)(iii) hereof. Moneys provided from payments made under a Liquidity Facility, if any, or Credit Facility, if any, not required to be used in connection with the purchase of tendered Bonds shall be returned to the applicable Liquidity Facility Provider or Credit Facility Provider in accordance with Section 4.10(d) and (e) hereof. Moneys provided by the Borrower not required to be used in connection with the purchase of tendered Bonds shall be returned to the Borrower in accordance with Sections 4.10(d) and (e) hereof.

(iii) Moneys in the Liquidity Facility Account, the Credit Facility Account, the Borrower Purchase Account, the Undelivered Bond Payment Account, and the Remarketing Proceeds Account shall not be commingled with other funds held by the Bond Trustee and shall remain uninvested in an Eligible Account and without liability for interest on the part of the Bond Trustee. “Eligible Account” shall mean an account that is maintained with the corporate trust department of a federal depository institution, trust company or state chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, has corporate trust powers and is acting in its fiduciary capacity. In the event that an account required to be an Eligible Account no longer complies with such requirement, the Bond Trustee should promptly upon having received notice of such event (and in any case, within not more than thirty (30) calendar days) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

(iv) At no time shall the Bond Trustee draw on a Liquidity Facility or Credit Facility (A) with respect to any Bonds operating in an Interest Rate Mode not covered by such Liquidity Facility or Credit Facility or (B) to pay the Purchase Price of any Bonds that are not Eligible Bonds.

(v) Neither the Borrower nor the Authority shall have any right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account or the Undelivered Bond Payment Account nor any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) Deposit of Bonds. The Bond Trustee agrees to hold all Bonds delivered to it pursuant to Sections 4.06, 4.07, 4.08 and 4.09 of this Bond Indenture in trust for the benefit of the respective Holders which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Holder in accordance with the provisions of this Bond Indenture and until such Bonds shall have been delivered by the Bond Trustee in accordance with Section 4.10(f) hereof.

(c) Remarketing of Bonds.

(i) Immediately upon its receipt, but not later than 11:30 a.m., New York City time, on the Purchase Date with respect to a notice pursuant to Section 4.06(a) hereof with respect to Daily Bonds, not later than 1:15 p.m.

New York City time, on the Business Day following receipt from a Holder of a notice pursuant to Section 4.06(a) with respect to Two Day Bonds, and not later than 12:00 noon, New York City time, on the Business Day following receipt from a Holder of a notice pursuant to Section 4.06(a) hereof with respect to Weekly Bonds, the Bond Trustee shall notify the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower by Electronic Notice of such receipt, specifying the principal amount of Bonds for which it has received a notice pursuant to Section 4.06(a) of this Bond Indenture, the names of the Holders thereof, the date on which such Bonds are to be purchased in accordance with Section 4.06 hereof, the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof, and in no event later than 11:15 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, and in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof and in no event later than 4:00 p.m., New York City time, on the last Business Day prior to the Mandatory Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.08 or 4.09 hereof, the Remarketing Agent shall inform the Bond Trustee by Electronic Notice, of the principal amount of Purchased Bonds for which the Remarketing Agent has identified prospective purchasers and of the name, and if known to the Remarketing Agent, address and taxpayer identification number of each such purchaser, the principal amount of Purchased Bonds to be purchased and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, the Bond Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent.

(iii) By 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, by 10:30 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 or 4.09 hereof, and by 11:30 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, the Bond Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Borrower by Electronic Notice or telephone, promptly confirmed in writing, as to the aggregate Purchase Price of the Purchased Bonds and as to the projected Funding Amount.

The term “Funding Amount” means an amount equal to the difference between (1) the total Purchase Price of those Purchased Bonds to be purchased pursuant to

Sections 4.06(a), 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 4.08 and 4.09 hereof, and (2) the Purchase Price of those Purchased Bonds to be purchased pursuant to Sections 4.06(a), 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 4.08 or 4.09 hereof with respect to which the Remarketing Agent expects to transfer, or to cause to be transferred, immediately available funds to the Bond Trustee by 10:30 a.m., New York City time, on the Purchase Date in the case of the Weekly Bonds purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two day Bonds purchased pursuant to Section 4.06(a) hereof, and by 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of the Bonds purchased pursuant to Section 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), hereof for deposit in the Remarketing Proceeds Account pursuant to Section 4.10(d) hereof.

(iv) Upon receipt of any Electronic Notice or written notice of tender relating to Bonds bearing interest at a Window Rate pursuant to Section 4.06(a)(iv) hereof, the Bond Trustee shall, not later than 12:00 noon, New York City time, on the next Business Day, send notice of such tender to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice, including in such notice the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Window Rate Optional Purchase Date. The Bond Trustee shall give notice of such optional tender, including the principal amount of Bonds to be purchased (but not the name of the tendering Bondholder), by first class mail to the Holders not later than the second Business Day after receipt of a notice of optional tender by the Bond Trustee pursuant to this paragraph. If the Remarketing Agent identifies a purchaser for a Window Bond for which a notice of tender has been given during the period beginning on the Business Day such notice of tender is received by the Remarketing Agent and ending on the 30th day (or, if the 30th day is not a Business Day, the next succeeding Business Day) after such notice of tender is received by the Remarketing Agent (a "Remarketing Window"), the Remarketing Agent shall give Electronic Notice to the tendering Holder, the Borrower, the Bond Trustee and the Authority that a purchaser has been identified. Such notice shall designate the Window Rate Optional Purchase Date for such Bond, which shall be the earlier of (A) the last day of the Remarketing Window or (B) any Business Day that is at least seven days after such notice is received by the tendering Holder. The Bond Trustee shall purchase such Bond pursuant to Section 4.11(c) hereof on the Window Rate Optional Purchase Date at the Purchase Price, but only with remarketing proceeds or with any other amounts made available by the Borrower, in its sole discretion. If sufficient remarketing proceeds are not available for the purchase of such Bond on the Window Rate Optional Purchase Date, and amounts are not made available by the Borrower, in its sole discretion, for the purchase of such Bond on the Window Rate Optional Purchase Date, then the Remarketing Agent's designation of a Window Rate Optional Purchase Date for such Bond shall be deemed to be rescinded, such Bond shall not be tendered or deemed tendered or required to be purchased on such date and no Event of Default shall occur. The Remarketing Agent shall give Electronic Notice of such rescission to the tendering Holder, the Bond Trustee, the Authority

and the Borrower as soon as practicable and in any event not later than the next succeeding Business Day.

(v) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with Sections 4.07, 4.08 or 4.09 hereof which are not presented to the Bond Trustee on the Mandatory Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to Section 4.06 hereof which are not presented to the Bond Trustee on the Purchase Date, shall be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) Deposits of Funds.

(i) The Bond Trustee shall deposit into the Remarketing Proceeds Account any amounts received by it in immediately available funds by 10:45 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, and by 10:45 a.m., New York City time, on any Purchase Date in the case of Bonds purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof from the Remarketing Agent (which amounts received from the remarketing of the Bonds the Remarketing Agent is hereby directed to deposit with the Bond Trustee by such times) against receipt of Bonds by the Remarketing Agent pursuant to Section 4.10(f) hereof and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) By 11:00 a.m., New York City time, on the Purchase Date in the case of Bonds purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, and by 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of the Liquidity Facility or the Credit Facility, as applicable) in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by noon, New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, the Bond Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Direct Purchaser, if any, for the Purchased Bonds and the Borrower by Electronic Notice of the additional amount of funds, if any, required to be transferred to the Bond Trustee (the "Additional Funding Amount") which shall be the amount, if any, by which the total Purchase Price of the Purchased Bonds exceeds the sum of the amounts then on deposit in the Remarketing Proceeds Account. If a Liquidity Facility or Credit Facility is in effect with respect to the Purchased Bonds, the Bond Trustee shall, at or before (A) 11:00 a.m., New York City time, on the Purchase Date (or such other time as

may be required to ensure the payment of funds by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of the Liquidity Facility or the Credit Facility, as applicable) with respect to Weekly Bonds to be purchased pursuant to Sections 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof; (B) 12:00 noon, New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof; and (C) 11:00 a.m., New York City time, on the Purchase Date with respect to Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), present drafts for payment under the Liquidity Facility or Credit Facility, as may be applicable, in an amount equal to the Additional Funding Amount. The Liquidity Facility Provider or the Credit Facility Provider, as may be applicable, shall be required to provide such Additional Funding Amount, in immediately available funds, to the Bond Trustee no later than (1) 2:30 p.m., New York City time, on the Purchase Date with respect to Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and (2) 2:30 p.m., New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof and Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof. The Bond Trustee shall deposit such amounts in the Liquidity Facility Account or Credit Facility Account, as applicable, depending on the source of such amounts. If more than one Liquidity Facility or Credit Facility is then in effect, the Bond Trustee shall establish a separate sub-account in the Liquidity Facility Account or Credit Facility Account, as applicable, for each Liquidity Facility or Credit Facility and apply the moneys in such sub-accounts solely to pay the Purchase Price of Purchased Bonds supported by such Liquidity Facility or Credit Facility.

(iii) The Borrower has agreed in Section 4.05 of the Loan Agreement that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by this Bond Indenture at the times required hereunder, it shall pay to the Bond Trustee the Additional Funding Amount in immediately available funds paid to the Bond Trustee at its Corporate Trust Office by 2:45 p.m., New York City time, within 370 days after the date on which the tendered Bonds are required to be purchased.

(iv) The Bond Trustee shall hold all proceeds received from the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, or the Borrower pursuant to this Section 4.10(d) hereof in trust for the tendering Bondholders. In holding such proceeds and moneys, the Bond Trustee will be acting on behalf of such Bondholders by facilitating purchases of the Bonds and not on behalf of the Authority, any Liquidity Facility Provider, any Credit Facility Provider, or the Borrower, and will not be subject to the control of any of them. Subject to the provisions of Section 4.10(e) hereof, following the discharge of the lien created by this Bond Indenture or after payment in full of the Bonds, the Bond Trustee shall pay any moneys remaining in any account of the

Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Bond Trustee that such Person is rightfully entitled to such money, and the Bond Trustee shall not pay such amounts to any other Person.

(e) Disbursements; Payment of Purchase Price. Moneys delivered to the Bond Trustee on a Purchase Date shall be applied at or before 3:00 p.m., New York City time, on such Purchase Date (or on a later date as provided in Section 4.10(d)(iii) in the event the Credit Facility Provider or Liquidity Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under the Credit Facility or Liquidity Facility, as applicable, to pay the Purchase Price of tendered Bonds in connection with a Purchase Date) to pay the Purchase Price of Purchased Bonds that are delivered to the Bond Trustee at or prior to 10:00 a.m., New York City time, on such Purchase Date in accordance with Section 4.07(b), or at or prior to 11:00 a.m., New York City time, on such Purchase Date in accordance with Section 4.06(a), in immediately available funds, as follows in the indicated order of application and, to the extent not so applied, shall be held in the separate and segregated accounts of the Bond Purchase Fund for the benefit of the Holders of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account of the Bond Purchase Fund with respect to the Bonds (representing the proceeds of the remarketing by the Remarketing Agent with respect to the Bonds).

SECOND: Moneys, if any, deposited in the Liquidity Facility Account or the Credit Facility Account, as applicable, of the Bond Purchase Fund with respect to the Bonds (representing the proceeds of a drawing under such Liquidity Facility or Credit Facility).

THIRD: Moneys, if any, deposited in the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds (representing amounts paid by the Borrower to the Bond Trustee for the purchase of such Bonds).

Any moneys held by the Bond Trustee in the Borrower Purchase Account remaining unclaimed by the Holders of the Purchased Bonds which were to have been purchased on the 3 year anniversary of the Purchase Date, and after all amounts due and owing under the Bondholder Agreement, if any, have been paid, shall be paid to the Commonwealth in accordance with applicable escheat law or, upon the written request of the Borrower, to the Borrower, against written receipt therefor. The Holders of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Bond Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or to the extent moneys have been transferred in accordance with this Section to the Borrower or the Commonwealth, as applicable.

(f) Delivery of Purchased Bonds.

(i) The Remarketing Agent shall give Electronic Notice, promptly confirmed in writing, to the Bond Trustee on each date on which Bonds shall have been purchased pursuant to Sections 4.06, 4.07, 4.08 and 4.09 hereof, specifying

the principal amount of such Bonds, if any, sold by the Remarketing Agent pursuant to Section 4.13(a) hereof along with a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and, if known to the Remarketing Agent, the addresses and social security or taxpayer identification numbers of such purchasers. By 10:30 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bond to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 12:00 noon, New York City time, with respect to Daily Bonds or Two day Bonds to be purchased pursuant to Section 4.06(a) hereof, and by 10:30 a.m., New York City time, on the Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Bond Trustee to the Remarketing Agent against payment therefor in immediately available funds. The Bond Trustee shall prepare each Bond to be so delivered in such names as directed by the Remarketing Agent pursuant to Section 4.10(c)(ii) hereof.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Liquidity Facility Account, if any, or the Credit Facility Account, if any, shall be delivered on the day of purchase by the Bond Trustee to or as directed by the Liquidity Facility Provider or the Credit Facility Provider, as applicable. The Bond Trustee shall register such Bonds in the name of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, or as otherwise provided in the Liquidity Facility or the Credit Facility Agreement.

(iii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Borrower Purchase Account, if any, shall be delivered on the day of such purchase by the Bond Trustee to or as directed by the Borrower. The Bond Trustee shall register such Bonds in the name of the Borrower or as otherwise directed by the Borrower.

Section 4.11. Notice of Tender.

(a) Simultaneously with the giving (pursuant to Section 4.07(e) hereof) of notice of any mandatory tender of Bonds pursuant to Section 4.07(a) hereof, the Bond Trustee shall give Electronic Notice, promptly confirmed by a written notice, to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, specifying the applicable Mandatory Purchase Date, the aggregate principal amount and Purchase Price of Bonds subject to mandatory tender on such Mandatory Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Bonds to such Mandatory Purchase Date.

(b) On each Purchase Date, the Bond Trustee shall determine the Additional Funding Amount, if any, at the times required by Section 4.10(d)(ii); and

(i) If a Liquidity Facility is in effect with respect to the Bonds on such Purchase Date, then (a) the Bond Trustee shall draw upon the Liquidity Facility at the times required by Section 4.10(d)(ii) moneys for the purchase of Bonds in the amount equal to the Additional Funding Amount by submitting to such Liquidity Facility Provider in accordance with such Liquidity Facility all such documents as are required for such purpose, and (b) the Bond Trustee shall deposit the proceeds of such drawing upon the Liquidity Facility received by the Bond Trustee from the Liquidity Facility Provider into the Liquidity Facility Account of the Bond Purchase Fund with respect to the Bonds (for purposes of this paragraph (i), if the Credit Facility, if any, is also serving as a Liquidity Facility, references in this paragraph to Liquidity Facility shall be deemed to refer to Credit Facility) on the Purchase Date at the times required by Section 4.10(d)(ii); or

(ii) If the Borrower is obligated under the Loan Agreement or the terms of this Bond Indenture to provide the Purchase Price therefor, or the Borrower otherwise elects in its sole discretion to provide the Purchase Price therefor, then the Bond Trustee shall notify the Borrower at the times required by Section 4.10(d)(ii) that the amount of such excess is the amount payable by the Borrower to the Bond Trustee pursuant to Section 4.10(d)(iii) for purposes of causing the Bond Trustee to purchase, on behalf of the Borrower, Bonds having a Purchase Price equal to such excess and, thereby, for the Bond Trustee to have sufficient funds to pay the Purchase Price of all Bonds subject to purchase on such Purchase Date or, in the event Bonds bearing interest at a Daily Rate or a Weekly Rate are secured by a Liquidity Facility or a Credit Facility constituting a direct-pay letter of credit, and the Liquidity Provider or the Credit Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit Facility, as applicable, to pay the Purchase Price of tendered Bonds in connection with a Purchase Date, within 370 days after the date on which the tendered Bonds are required to be purchased. The Bond Trustee shall deposit the amount received by the Bond Trustee from the Borrower for such purpose into the Borrower Purchase Account of the Bond Purchase Fund in accordance with Section 4.10(d)(iii); or

(iii) Notwithstanding anything to the contrary contained herein, if by 10:30 a.m., New York City time, on a Window Rate Optional Purchase Date, the Remarketing Agent despite its best efforts has been unable to remarket the Bonds to be purchased on such Window Rate Optional Purchase Date at par and the Borrower, in its sole discretion, has not provided amounts for the purchase of such Bonds on the Window Rate Optional Purchase Date: (A) the Remarketing Agent shall deliver Electronic Notice to the Bond Trustee, the Calculation Agent, the Borrower, and the Authority by 10:45 a.m., New York City time, that such Window Rate Optional Purchase Date is deemed rescinded and that such failure shall not constitute an Event of Default and shall include in such notice the principal amount of such Bonds that will not be purchased on such Purchase Date; and (B) the Bond Trustee shall promptly provide written notice to each Rating Agency of such rescission. If for any reason a Bond for which a notice of tender for purchase pursuant to Section 4.06(a)(iv) hereof has been delivered is not purchased by the

last day of the applicable Remarketing Window, then (1) all such Bonds bearing interest at a Window Rate shall be subject to mandatory tender for purchase on the last day of the Mandatory Purchase Window (or, if the last day is not a Business Day, the next succeeding Business Day) after such notice is received by the Remarketing Agent (a “Window Rate Mandatory Purchase Date”) at the Purchase Price, payable in immediately available funds, and (2) the Remarketing Agent shall give notice of such Window Rate Mandatory Purchase Date to the Bond Trustee by Electronic Notice no later than the second Business Day after the end of the applicable Remarketing Window. The Bond Trustee shall give Electronic Notice of the Window Rate Mandatory Purchase Date to the Holders of the Bonds, the Borrower, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Mandatory Purchase Date from the Remarketing Agent. The failure to pay the Purchase Price of all tendered Window Bonds when due and payable on a Window Rate Mandatory Purchase Date shall constitute an Event of Default. Notwithstanding the foregoing provisions of this paragraph, the Bonds shall not be subject to mandatory tender for purchase on a Window Rate Mandatory Purchase Date if they are otherwise subject to mandatory tender for purchase pursuant to Section 4.07 hereof after the last day of the Remarketing Window and before such Window Rate Mandatory Purchase Date.

(c) [Reserved].

(d) Any moneys remaining in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account, or the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds and representing (but not exceeding) the Purchase Price of Bonds subject to purchase on the applicable Purchase Date but not tendered and delivered for purchase on the applicable Purchase Date (following the payments from such Bond Purchase Fund described in Section 4.10(e) hereof), shall be transferred by the Bond Trustee to the Undelivered Bond Payment Account of such Bond Purchase Fund not later than 3:30 p.m., New York City time, on the applicable Purchase Date (and retained therein, subject to this Section 4.11, for application in accordance with Section 4.11(e) hereof). Any moneys remaining in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account, and the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds on the applicable Purchase Date (after the payments from such Bond Purchase Fund described in Section 4.10(e) hereof and the transfer described in the preceding sentence of this Section 4.11(d)) shall be wire transferred by the Bond Trustee, in immediately available funds, prior to the close of business on such Purchase Date, to the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower, respectively.

(e) Moneys transferred to the Undelivered Bond Payment Account of the Bond Purchase Fund with respect to the Bonds on any Purchase Date shall be applied, on or after such Purchase Date, by the Bond Trustee to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Bonds to the Bond Trustee for such purpose.

Section 4.12. Irrevocable Notice Deemed to be Tender of Bond; Undelivered Bonds.

(a) The giving of notice by a Holder of a Bond as provided in Section 4.06(a) hereof shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Bond Trustee for purchase on the relevant Purchase Date as provided in this Article IV.

(b) The Bond Trustee may refuse to accept delivery of any such Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. For purposes of this Article IV, the Bond Trustee shall determine timely and proper delivery of such Bonds and the proper endorsement of such Bonds. Such determination shall be binding on the Holders of such Bonds, the Borrower and the Remarketing Agent, absent manifest error. If any Holder of a Bond who shall have given notice of tender of purchase pursuant to Section 4.06(a) hereof or any Holder of a Bond subject to mandatory tender for purchase pursuant to Sections 4.07, 4.08 or 4.09 hereof shall fail to deliver such Bond to the Bond Trustee at the place and on the applicable Purchase Date and at the time specified in its notice or in the notice provided to the Holder, as applicable, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the Holder thereof on the Purchase Date and at the time specified, from and after the Purchase Date and time of that required delivery, (1) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this Bond Indenture; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the Purchase Price of the Undelivered Bond shall be held by the Bond Trustee in the Undelivered Bond Payment Account for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment earnings thereon), to be paid on delivery of the Undelivered Bond to the Bond Trustee at its Corporate Trust Office. Any funds held by the Bond Trustee in the Undelivered Bond Payment Account as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Section 4.13. Remarketing of Bonds; Notice of Interest Rates.

(a) Upon a mandatory tender or notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the date of such purchase in accordance with this Article IV at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase Date up to the Maximum Interest Rate. In connection with any remarketing of Bonds upon a mandatory tender thereof, such remarketing may be, with respect to such Bonds, in whole or with respect to a portion thereof, as directed by the Borrower. No Bonds that have been tendered pursuant to Section 4.09 hereof shall be remarketed as Weekly Bonds, Two Day Bonds or Daily Bonds unless and until (i) the Liquidity Facility or Credit Facility, if applicable, has been reinstated or extended for such Bonds; (ii) an Alternate Liquidity Facility or Alternate Credit Facility has been provided for such Bonds; or (iii) the Borrower has agreed to provide a Self-Liquidity Arrangement for such Bonds.

(b) The Remarketing Agent shall offer for sale and use its best efforts to sell Liquidity Facility Bonds and Credit Facility Bonds at a price equal to the principal amount thereof plus accrued interest to the Purchase Date up to the Maximum Interest Rate. On such a Purchase Date, the proceeds of the remarketing of such Liquidity Facility Bonds or Credit Facility Bonds shall be received by the Bond Trustee on behalf of the applicable Liquidity Facility Provider or Credit Facility Provider and paid in immediately available funds to the applicable Liquidity Facility Provider or Credit Facility Provider on such Purchase Date. On such a Purchase Date, the applicable Liquidity Facility Provider or Credit Facility Provider shall notify the Bond Trustee of the Differential Interest Amount. The Bond Trustee shall pay the Differential Interest Amount to the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the date of remarketing, but only from funds available under this Bond Indenture or otherwise provided by the Borrower. Liquidity Facility Bonds or Credit Facility Bonds shall not be delivered upon remarketing unless the Bond Trustee shall have received Electronic Notice from the Liquidity Facility Provider or the Credit Facility Provider that the Liquidity Facility or the Credit Facility, as applicable, has been reinstated in accordance with its terms to the full amount of the then Required Stated Amount.

(c) The Remarketing Agent shall not knowingly remarket Bonds to the Authority, the Borrower or any affiliate thereof.

Section 4.14. The Remarketing Agent. The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it hereby. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Remarketing Agreement under which the Remarketing Agent will agree to:

(a) determine the interest rates applicable to the Bonds and give notice to the Bond Trustee of such rates and periods in accordance with Article II hereof;

(b) keep such books and records as shall be consistent with prudent industry practice; and

(c) use its best efforts to remarket the Bonds in accordance with this Bond Indenture.

The Remarketing Agent shall hold all amounts received by it in accordance with any remarketing of the Bonds pursuant to Section 4.13 hereof for the benefit of the Holders of such tendered Bonds and shall transfer such amounts to the Bond Trustee for deposit to the Remarketing Proceeds Account created hereunder.

Section 4.15. Qualifications of Remarketing Agent; Resignation; Removal.

(a) Any Remarketing Agent shall (i) be a member of the Financial Industry Regulatory Authority or shall be a commercial bank, a national banking association or a trust company, having a combined capital stock, surplus and undivided profits of at least \$15,000,000, and (ii) be authorized by law to perform all the duties imposed upon it by this Bond Indenture.

(b) The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Bond Indenture by giving Electronic Notice to the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower. Such resignation shall take effect not earlier than the 30th day after the receipt by the Borrower of the notice of resignation. The Remarketing Agent may be removed at the direction of the Borrower at any time on 30 days prior Electronic Notice, by an instrument signed by the Borrower, filed with the Remarketing Agent, the applicable Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bond Trustee. In the event that a successor Remarketing Agent has not been appointed by the Borrower within 30 days following the notice of resignation or removal of the Remarketing Agent, the notice period for resignation or removal shall be extended for an additional 30 days, but in no event shall such notice period, including any such 30 day extension, be longer than 60 days.

Section 4.16. Successor Remarketing Agents.

(a) Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Remarketing Agent hereunder.

(b) In the event that the Remarketing Agent has given notice of resignation or has been notified of its impending removal in accordance with Section 4.15(b) hereof, the Borrower shall appoint a successor Remarketing Agent that meets the requirements of Section 4.15(a) above.

(c) In the event that the Remarketing Agent shall resign, be removed or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Borrower shall not have appointed its successor, and, if no appointment is made within 30 days, the Authority shall apply to a court of competent jurisdiction for such appointment. Nothing herein shall require any Remarketing Agent that has resigned or been removed to remain as Remarketing Agent beyond the notice period required by Section 4.15(b) hereof.

Section 4.17. Termination of Liquidity Facility or Credit Facility Prior to Expiration Date; Purchase by Liquidity Facility Provider or Credit Facility Provider; Notices.

(a) The obligation of the Liquidity Facility Provider to provide funds for the purchase of tendered Bonds pursuant to the Liquidity Facility may be terminated or suspended automatically and without prior notice upon the occurrence of certain defaults as shall be set forth in the Liquidity Facility.

(b) If an Immediate Termination Date of the Liquidity Facility occurs, the Bond Trustee shall as soon as practicable upon receiving written notice thereof provide Electronic Notice to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Holders of all Outstanding Bonds the payment of the Purchase Price of which

is supported by such Liquidity Facility that the Liquidity Facility has been terminated effective as of such Immediate Termination Date and the reasons therefor, that the Bond Trustee will no longer be able to draw on the Liquidity Facility to purchase Bonds and the Liquidity Facility Provider will be under no obligation to advance funds or to purchase Bonds under the Liquidity Facility; provided, however, that if the Bond Trustee is unable to provide Electronic Notice to the Bondholders because it does not have the necessary contact information to do so, it shall provide written notice to the Bondholders.

(c) Following the Noticed Termination Date, the Bond Trustee will no longer be able to draw on the Liquidity Facility or Credit Facility, as applicable, to purchase Bonds. Promptly upon the receipt of notice of the proposed Noticed Termination Date from the Liquidity Facility Provider or the Credit Facility Provider, as applicable, but in no event more than three Business Days after receipt, the Bond Trustee shall provide Electronic Notice to the Borrower, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Holders of all Outstanding Bonds supported by such Liquidity Facility or Credit Facility, as applicable, of the Noticed Termination Date and the proposed Mandatory Purchase Date for such Bonds, which Purchase Date shall be no later than five days prior to the Noticed Termination Date; provided, however, that if the Bond Trustee is unable to provide Electronic Notice to the Bondholders because it does not have the necessary contact information to do so, it shall provide written notice to the Bondholders. In addition, at least 14 days prior to the Expiration Date of the Liquidity Facility or Credit Facility, as may be applicable, the Bond Trustee shall also give notice to the Holders of Outstanding Bonds of the Expiration Date for the Liquidity Facility or the Credit Facility and the proposed Mandatory Purchase Date for such Bonds, which shall be no later than one Business Day prior to the Expiration Date, or, in the case of a delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, shall be the effective date of delivery of, and acceptance by the Bond Trustee of, such Alternate Liquidity Facility or Alternate Credit Facility. Each such notice shall be given by Electronic Means and first class mail and shall (i) state that the Bond Trustee may no longer draw on the Liquidity Facility or Credit Facility (and the Liquidity Facility Provider or Credit Facility Provider will have no obligation) to purchase (or provide funds for the purchase of) Bonds after the proposed Noticed Termination Date or the Expiration Date, as the case may be, (ii) specify the Noticed Termination Date or the Expiration Date, as the case may be and the applicable Mandatory Purchase Date, (iii) state that the Eligible Bonds are subject to mandatory tender for purchase on the applicable Mandatory Purchase Date, (iv) specify, if, but only if applicable, that the Borrower will be the only party obligated to purchase Eligible Bonds after the Noticed Termination Date or the Expiration Date, and (v) state that all Eligible Bonds (if subject to mandatory purchase) must be delivered for purchase to the Bond Trustee and that on such Mandatory Purchase Date, the Bond Trustee expects to hold moneys equal to the Purchase Price for all Eligible Bonds in trust for the Holders of such Eligible Bonds, which moneys will be paid upon surrender of such Eligible Bonds to the Bond Trustee. Any notice given substantially as provided in this subsection (c) shall be conclusively presumed to have been duly given, whether or not actually received by each Bondholder.

(d) Upon receipt of the notice specified in (c) above, and if said notice provides that all Eligible Bonds are subject to mandatory purchase, all Holders of Outstanding

Eligible Bonds shall be required to tender their Bonds to the Bond Trustee for purchase on such Mandatory Purchase Date. In addition, in the event that a Holder of Bonds has delivered a tender notice pursuant to Section 4.06(a) on or prior to the date on which the Liquidity Facility Provider or Credit Facility Provider has sent notice to the Bond Trustee of the proposed Noticed Termination Date or the Expiration Date with a Purchase Date to occur on or after the date of such notice (but prior to the Noticed Termination Date or the Expiration Date), the Bonds to which such tender notice relates shall be purchased by the Bond Trustee on such Purchase Date. Any Eligible Bond so delivered shall be purchased by the Bond Trustee at a Purchase Price equal to the principal amount thereof plus accrued interest to the Purchase Date (unless such date is an Interest Payment Date, in which case the Purchase Price will be the principal amount of such Bond).

Section 4.18. Insufficient Funds for the Payment of Purchase Price.

(a) If the funds available for the purchase of Bonds subject to purchase on a Purchase Date are insufficient to purchase all of such Bonds on such Purchase Date (including Undelivered Bonds), then no purchase of any Bond shall occur on such Purchase Date and, on such Purchase Date, the Bond Trustee shall (i) return all of such Bonds that were tendered to the Holders thereof, and (ii) return all moneys received by the Bond Trustee for the purchase of such Bonds to the respective Persons that provided such moneys (in the respective amounts in which such moneys were so provided).

(b) The failure to purchase Bonds on a Purchase Date shall constitute an Event of Default, provided, however, the failure to purchase Bonds on any of the following dates or events shall not constitute an Event of Default: (i) a Window Rate Optional Purchase Date; (ii) in connection with a VRO Interest Rate Period Failed Remarketing Event; (iii) a Borrower Elective Purchase Date; (iv) an FRN Rate Soft Put Mandatory Purchase Date; and (v) a Conversion from Bonds operating in the Fixed Period. Provided, further, that failure of the Borrower to pay when due the Additional Funding Amount pursuant to Section 4.10(d)(iii) hereof and Section 4.05 of the Loan Agreement in connection with a Purchase Date while the Bonds bear interest at a Daily Rate or Weekly Rate and are supported by a Liquidity Facility or a Credit Facility, as applicable, shall not constitute an Event of Default or a Loan Default Event if (i) the failure is the result of failure of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit Facility, as applicable, to pay the Purchase Price of the tendered Bonds and (ii) the Additional Funding Amount required to pay the Purchase Price of the tendered Bonds with respect to which the failure occurred is deposited with the Bond Trustee and applied to pay the Purchase Price of the tendered Bonds, within 370 days after the date on which such tendered Bonds were required to be purchased.

(c) Subject to the provisions of paragraphs (d) through (i) below, if Bonds are not purchased when required pursuant to Section 4.06(a) hereof or Section 4.07(a) hereof, all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all of such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture.

(d) If Daily Bonds, Two Day Bonds or Weekly Bonds are not purchased on a Borrower Elective Purchase Date, then such Daily Bonds, Two Day Bonds or Weekly Bonds shall continue to bear interest at a Daily Rate, Two Day Rate or Weekly Rate, as applicable, as determined as provided in Sections 2.04, 2.05 and 2.06 hereof, respectively.

(e) If FRN Rate Soft Put Bonds are not purchased on an FRN Rate Soft Put Mandatory Purchase Date, the FRN Rate Soft Put Bonds shall bear interest at the FRN Rate, calculated with an FRN Spread equal to 400 basis points (4%) or such other FRN Spread as may be specified in connection with a Conversion to an FRN Interest Rate Period, or, if less, the Maximum Interest Rate, from such FRN Rate Soft Put Mandatory Purchase Date until such time, if any, as all of the FRN Rate Soft Put Bonds are remarketed.

(f) If Window Bonds are not purchased on a Window Rate Optional Purchase Date or on a Borrower Elective Purchase Date, then such Window Bonds shall continue to bear interest as determined in accordance with Section 2.12 hereof.

(g) If VRO Bonds are not purchased on a VRO Interest Rate Period Purchase Date, then such VRO Bonds shall continue to bear interest as determined in accordance with Section 2.11 hereof.

(h) If Fixed Bonds are not purchased on a Purchase Date related to a Conversion of such Bonds, then such Fixed Bonds shall continue to bear interest at the interest rates in effect prior to such proposed Conversion Date.

(i) Notwithstanding the foregoing, if Bonds bearing interest at a Daily Rate or a Weekly Rate are not purchased when required due to the Liquidity Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the Bonds pursuant to a Liquidity Facility (that is not also a Credit Facility), all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture. During such period that the Bonds bear interest at the Maximum Interest Rate, the applicable Remarketing Agent shall resume setting the Daily Rate on the applicable Purchase Date, as set forth in Section 2.04, and will continue to set the Weekly Rate, as set forth in Section 2.06, although the interest rate on the Bonds will be the Maximum Interest Rate until such unpurchased Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket Bonds during such period, unless the Remarketing Agent agrees in its sole discretion, at the request of the Borrower, and can cease such remarketing at the Remarketing Agent's sole option. The Bond Trustee shall continue to take all such action available to it to obtain funds from the applicable Liquidity Facility Provider, the Remarketing Agent or the Borrower to pay the Purchase Price of such tendered Bonds. When the Bond Trustee has received sufficient funds to pay the Purchase Price of the tendered Bonds, the Bond Trustee must immediately notify the Holders and the Holders must surrender their Bonds to the Bond Trustee for payment of the Purchase Price of such tendered Bonds.

(j) Notwithstanding the foregoing, if Bonds bearing interest at a Daily Rate or a Weekly Rate are not purchased when required due to the Credit Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the Bonds pursuant to a Credit Facility constituting a direct-pay letter of credit, all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture. During such period that the Bonds bear interest at the Maximum Interest Rate, the applicable Remarketing Agent shall resume setting the Daily Rate on the applicable Purchase Date, as set forth in Section 2.04, and will continue to set the Weekly Rate, as set forth in Section 2.06, although the interest rate on the Bonds will be the Maximum Interest Rate until such unpurchased Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket Bonds during such period, unless the Remarketing Agent agrees in its sole discretion, at the request of the Borrower, and can cease such remarketing at the Remarketing Agent's sole option. The Bond Trustee shall continue to take all such action available to it to obtain funds from the applicable Credit Facility Provider, the Remarketing Agent or the Borrower to pay the Purchase Price of such tendered Bonds. When the Bond Trustee has received sufficient funds to pay the Purchase Price of the tendered Bonds, the Bond Trustee must immediately notify the Holders and the Holders must surrender their Bonds to the Bond Trustee for payment of the Purchase Price of such tendered Bonds.

Section 4.19. Liquidity Facility; Self-Liquidity Arrangement; Alternate Liquidity Facility.

(a) The Borrower may provide for delivery to the Bond Trustee of a Liquidity Facility pursuant to the provisions of Section 5.04 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement.

(b) Prior to the expiration or termination of a Liquidity Facility in accordance with the terms of that Liquidity Facility, the Borrower may provide for the delivery to the Bond Trustee of an Alternate Liquidity Facility pursuant to Section 5.04 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement. Any Alternate Liquidity Facility or Self-Liquidity Arrangement delivered to the Bond Trustee pursuant to this Section 4.19(b) shall meet the requirements of Section 5.04 of the Loan Agreement (Section 5.05 of the Loan Agreement in the case of the Self-Liquidity Arrangement) and shall be delivered as provided in the Loan Agreement and shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent.

(c) If at any time there is delivered to the Bond Trustee (i) an Alternate Liquidity Facility or Self-Liquidity Arrangement, (ii) the information, opinions and data required by Section 5.04 or 5.05 of the Loan Agreement, as the case may be, and (iii) all information required to give the notice of mandatory tender for purchase of the Bonds, then the Bond Trustee shall accept such Alternate Liquidity Facility or Self-Liquidity Arrangement. The Bond Trustee shall surrender the Liquidity Facility pursuant to Section 4.19(d) hereof.

(d) If an Alternate Liquidity Facility or a Self-Liquidity Arrangement is delivered to the Bond Trustee and accepted pursuant to this Section 4.19, then the Bond Trustee shall surrender the existing Liquidity Facility for cancellation; provided that no Liquidity Facility shall be surrendered until after the date on which Purchased Bonds have been purchased or deemed purchased in accordance with the provisions of this Bond Indenture. If a Liquidity Facility terminates or is no longer required to be maintained hereunder, the Bond Trustee shall surrender such Liquidity Facility to the Liquidity Facility Provider for cancellation in accordance with the terms of the Liquidity Facility. Upon the defeasance of the Bonds pursuant to this Bond Indenture and if, at such time, the Bonds are no longer subject to tender for purchase, the Bond Trustee shall surrender the Liquidity Facility, if any, to the Liquidity Facility Provider for cancellation in accordance with the terms of the Liquidity Facility. The Bond Trustee shall comply with the procedures set forth in each Liquidity Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Liquidity Facility in accordance with the provisions thereof.

Section 4.20. Credit Facility; Self-Liquidity Arrangement; Alternate Credit Facility; Delivery of Credit Facility to Replace Liquidity Facility or Self-Liquidity Arrangement; Surrender of Credit Facility.

(a) The Borrower may provide for the delivery to the Bond Trustee a Credit Facility pursuant to Section 5.06 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement.

(b) If there is delivered to the Bond Trustee (i) an Alternate Credit Facility covering the Bonds in accordance with Section 5.06 of the Loan Agreement, (ii) a Favorable Opinion of Bond Counsel with respect to the Series 2024B-1 Bonds, and (iii) if the Credit Facility then in effect with respect to the Bonds does not cover premiums due on the Bonds, and the Bonds would be subject to mandatory tender for purchase at a Purchase Price in excess of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase, Eligible Moneys in an amount sufficient to pay the premium due on the Bonds, then the Bond Trustee shall accept such Alternate Credit Facility.

(c) If a Liquidity Facility or a Self-Liquidity Arrangement is in effect with respect to the Bonds, a Credit Facility covering the Bonds may be delivered to the Bond Trustee if all of the conditions set forth in the immediately preceding paragraph regarding the delivery of an Alternate Credit Facility for the Bonds are satisfied.

(d) If an Alternate Credit Facility or Self-Liquidity Arrangement is delivered to the Bond Trustee and accepted pursuant to this Section 4.20, then the Bond Trustee shall surrender the existing Credit Facility for cancellation; provided that no Credit Facility shall be surrendered until after the date on which Purchased Bonds have been purchased or deemed purchased in accordance with the provisions of this Bond Indenture. If a Credit Facility terminates or is no longer required to be maintained hereunder, the Bond Trustee shall surrender such Credit Facility to the Credit Facility Provider for cancellation in accordance with the terms of the Credit Facility. Upon the defeasance of the Bonds

pursuant to this Bond Indenture and if, at such time, the Bonds are no longer subject to tender for purchase, the Bond Trustee shall surrender the Credit Facility, if any, to the Credit Facility Provider for cancellation in accordance with the terms of the Credit Facility. The Bond Trustee shall comply with the procedures set forth in each Credit Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Credit Facility in accordance with the provisions thereof.

ARTICLE V
FUNDS AND ACCOUNTS

Section 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Authority hereby pledges and assigns to the Bond Trustee all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Bond Indenture (except the Rebate Fund and the Bond Purchase Fund) to secure, first, the payment of the principal, Redemption Price and Purchase Price of and interest on the Bonds (including, without limitation, Liquidity Facility Bonds and Credit Facility Bonds) in accordance with their terms and the provisions of this Bond Indenture and, second, the payment of Reimbursement Obligations and the performance and observance of the obligations of the Borrower under any Credit Facility or Liquidity Facility.

(b) The Authority hereby transfers in trust, grants a security interest in and lien and charge on and assigns to the Bond Trustee, for the benefit of the Owners from time to time of the Bonds (including, without limitation, Liquidity Facility Bonds and Credit Facility Bonds) and for the benefit of any Credit Facility Provider or any Liquidity Facility Provider with respect to Reimbursement Obligations, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Loan Agreement (except for the right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Unassigned Rights) and the Master Note. The Authority will also cause the Master Note to be registered in the name of the Bond Trustee. The Bond Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Bond Trustee and shall forthwith be paid by the Authority to the Bond Trustee. The Bond Trustee also shall be entitled to and may take all steps, actions and proceedings reasonably necessary in its good faith judgment to enforce all of the rights of the Authority and all of the obligations of the Borrower under the Loan Agreement and the Master Note. Notwithstanding the foregoing, any Revenues transferred by the Borrower directly to a Credit Facility Provider pursuant to a Credit Facility or to a Liquidity Facility Provider pursuant to a Liquidity Facility shall not be required to be collected and received by the Bond Trustee and the Bond Trustee shall have no duty to collect and receive such Revenues.

Section 5.02. Project Fund.

(a) Creation of Project Fund. A special fund is hereby created and designated “Series 2024B-1 Project Fund” (herein called the “Project Fund”) and shall be maintained under this Bond Indenture, to the credit of which such deposits of a portion of the proceeds of the Bonds shall be made. The Expenses Account is created within the Project Fund.

The moneys in the Project Fund shall be held by the Bond Trustee. The moneys in the Project Fund shall be applied to the payment of all Costs of the Project (including the costs of the Refunding Project) and, pending such application, shall be subject to a lien and charge in favor of the Bond Trustee on behalf of the holders of the Bonds issued and Outstanding under this Bond Indenture and for the further security of such holders until paid out or transferred as herein provided. Any funds remaining in the Project Fund upon delivery of the Completion Certificate shall be transferred pro rata based upon the aggregate principal amount of each series of Bonds outstanding to each Interest Fund. Any funds remaining in the Expenses Account after paying all costs of issuance and related costs shall be transferred in the same manner.

(b) Use of Project Fund Moneys. Payment of the Costs of the Project (including the costs of the Refunding Project) shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article. Moneys in the Project Fund may be invested as permitted by Section 5.08 hereof.

(c) Payments from Project Fund. Moneys in the Project Fund shall be disbursed only upon the direction of the Borrower, pursuant to a requisition signed by the Borrower, substantially in the form of Exhibit C hereof, solely to pay the Costs of the Project (including the costs of the Refunding Project). The Bond Trustee shall have no duty to review invoices or to verify that the person being paid pursuant to a requisition has performed the work or services or that the Borrower has received the items for which such person is being paid, or that there are adequate funds to complete the Capital Project.

(d) Reliance Upon Requisitions. All requisitions and opinions received by the Bond Trustee as conditions of payment from the Project Fund may be conclusively relied upon by the Bond Trustee and shall be retained by the Bond Trustee until the sixth anniversary of the completion date, subject at all reasonable times upon reasonable notice to the Bond Trustee to examination by the Authority and the Holders of not less than twenty- five percent (25%) in aggregate principal amount of the Bonds Outstanding.

(e) Initial Disposition of Bond Proceeds. On the Closing Date, the Bond Trustee shall deposit the net proceeds of the Series 2024B-1 Bonds in the amount of \$[____], as evidenced by the Closing Statement, to the Project Fund and apply such proceeds as follows:

- (i) Retain \$[____] in the Project Fund;
- (ii) Transfer \$[____] from the Project Fund to the Borrower for reimbursement of prior expenditures related to the Capital Project;

(iii) Transfer the following amounts with respect to the Refunding Project:

(A) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the LVHN 2015A Bonds, to pay the principal of, premium if any and interest on the LVHN 2015A Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee;

(B) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the LVHN 2016A Bonds, to pay the principal of, premium if any and interest on the LVHN 2016A Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee;

(C) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the LVHN 2016B Bonds, to pay the principal of, premium if any and interest on the LVHN 2016B Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee;

(D) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the LVHN 2016 Pocono Bonds, to pay the principal of, premium if any and interest on the LVHN 2016 Pocono Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee; and

(E) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the LVHN 2019A Bonds, to pay the principal of, premium if any and interest on the LVHN 2019A Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee;

(F) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the LVHN 2022B Bonds, to pay the principal of, premium if any and interest on the LVHN 2022B Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee;

(iv) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the TJU 2022A Bonds, to pay the

principal of, premium if any and interest on the TJU 2022A Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee; and

(v) Transfer \$[] from the Project Fund to the Expenses Account to be applied for the payment of costs related to the issuance of the Bonds.

Section 5.03. Revenue Fund.

(a) All Revenues shall be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the “Revenue Fund,” which the Bond Trustee shall establish, maintain and hold in trust. The Bond Trustee shall also establish and maintain a separate subaccount for each series of Bonds within the Revenue Fund. All Revenues deposited with the Bond Trustee shall be held, disbursed, allocated and applied by the Bond Trustee only as provided in this Bond Indenture.

(b) If, on the date any Loan Repayment or payment upon the Master Note is due, the Bond Trustee does not receive such payment, the Bond Trustee immediately shall request the Master Trustee to give immediate Electronic Notice or telephonic notice promptly confirmed in writing to the Borrower of the nonpayment.

(c) During the period that any of the Bonds are supported by a Credit Facility, all payments on the Eligible Bonds shall be made, to the extent available, first from draws on the Credit Facility, which shall be deposited directly in the Credit Facility Interest Account of the Interest Fund, the Credit Facility Principal Account of the Bond Sinking Fund or the Credit Facility Redemption Account of the Optional Redemption Fund, as the case may be. Principal or Redemption Price of and interest on non-Eligible Bonds may be paid from moneys other than Eligible Moneys. The Bond Trustee is hereby instructed to draw amounts under the Credit Facility at such times hereinafter set forth and pursuant to draw requests submitted at such times so as to assure that Eligible Moneys will be available to make when due all payments of principal of and interest on the Eligible Bonds. The foregoing notwithstanding, Loan Repayments or payments on the Master Note to be applied to pay interest on, principal of or the Redemption Price of non-Eligible Bonds shall be transferred when received to the Interest Fund, Bond Sinking Fund or Optional Redemption Fund, respectively, provided that no such payments shall be deposited in the Credit Facility Interest Account of the Interest Fund, the Credit Facility Principal Account of the Bond Sinking Fund or the Credit Facility Redemption Account of the Optional Redemption Fund.

Section 5.04. Interest Fund.

(a) The Bond Trustee shall establish and maintain so long as any of the Bonds are outstanding a fund to be known as the “Series 2024B-1 Bonds Interest Fund” (the “Interest Fund”); provided, however, that while the Bonds are in a Direct Purchase Period and if the Borrower is making all payments of principal of and interest on the Bonds directly to the Direct Purchaser, the Bond Trustee is not required to establish the Interest Fund. If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish

and maintain a separate and segregated account in the Interest Fund designated the “Series 2024B-1 Bonds Credit Facility Interest Account” (the “Credit Facility Interest Account”).

(b) With respect only to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on each Interest Payment Date or redemption date or upon acceleration in an amount equal to the amount of interest due and payable on the Eligible Bonds on such Interest Payment Date or redemption date or upon acceleration. All proceeds of such interest drawings drawn under the Credit Facility received in connection with the scheduled payment of interest on the Bonds, redemption of the Bonds or the acceleration of the Bonds prior to maturity shall be deposited in the Credit Facility Interest Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Bonds and until applied as herein provided.

(c) On each Interest Payment Date, the Bond Trustee shall deposit in the Interest Fund from the Revenue Fund moneys in an amount which, together with the amounts already on deposit therein and available to make such payment, other than in the Credit Facility Interest Account, is not less than the interest becoming due on the Bonds on such date.

(d) With respect to Bonds that have the benefit of a Credit Facility, payments of interest on the Eligible Bonds (other than interest payable on Bonds to be paid out of the Optional Redemption Fund as described in Section 5.06 hereof) shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Interest Account of the Interest Fund. Interest on non-Eligible Bonds shall be paid from amounts deposited in the Interest Fund (other than in the Credit Facility Interest Account thereof) which represent Loan Repayments or payments on the Master Note. Any funds remaining on deposit in the Interest Fund (exclusive of the Credit Facility Interest Account) on any Interest Payment Date after payment in full of all interest due on the Bonds on such date shall be promptly transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the interest portion of the draw on the Credit Facility on such date.

(e) In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the written request of the Borrower, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Bonds remaining outstanding on the first Interest Payment Date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal of and interest on the Bonds to be redeemed or defeased (or to reimburse the Credit Facility Provider for a draw on the Credit Facility) or as otherwise directed by the Borrower if the Bond Trustee shall have received a Favorable Opinion of Bond Counsel.

Section 5.05. Bond Sinking Fund.

(a) The Bond Trustee shall establish and maintain so long as any of the Bonds are outstanding a fund to be known as the “Series 2024B-1 Bonds Bond Sinking Fund” (the “Bond Sinking Fund”); provided, however, that during a Direct Purchase Period and

if the Borrower is making all payments of principal of and interest on the Bonds directly to the Direct Purchaser, the Bond Trustee is not required to establish the Bond Sinking Fund. If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish a separate account within the Bond Sinking Fund to be known as the “Series 2024B-1 Bonds Credit Facility Principal Account” (the “Credit Facility Principal Account”).

(b) With respect to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on the payment date of each Sinking Fund Installment established pursuant to Section 5.05(d) hereof and on maturity or acceleration of the Bonds in an amount equal to the amount of principal due and payable on such dates on the Eligible Bonds that have the benefit of a Credit Facility. All proceeds of drafts drawn under the Credit Facility to pay the principal of the Bonds shall be deposited in the Credit Facility Principal Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Eligible Bonds until applied as provided herein.

(c) On each Sinking Fund Installment date established pursuant to Section 5.05(d) hereof and each Maturity Date, after making the deposit required by Section 5.04 hereof, the Bond Trustee shall deposit in the Bond Sinking Fund from the Revenue Fund moneys in an amount which, together with any moneys already on deposit in the Bond Sinking Fund and available to make such payment (other than in the Credit Facility Principal Account) is not less than the principal becoming due on the Bonds on such dates.

(d) Subject to the terms and conditions set forth in this Section and in Section 2.15(f)(vi) and (vii) hereof, the Series 2024B-1 Bonds shall be paid by application of Sinking Fund Installments in the following amounts and on the following dates:

Sinking Fund Installment/Maturity Date ()	Sinking Fund Installment
*	
* Maturity Date.	

(e) With respect to Bonds that have the benefit of a Credit Facility, payments of principal on the related Eligible Bonds shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Principal Account. The principal of non-Eligible Bonds shall be paid from amounts deposited in the Bond Sinking Fund (other than in the Credit Facility Principal Account) which represent Loan Repayments and payments on the Master Note. Any funds remaining on deposit in the Bond Sinking Fund (exclusive of the Credit Facility Principal Account) on such Sinking Fund Installment date after payment in full of all principal due on the Bonds on such date shall be promptly transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount

necessary to reimburse the Credit Facility Provider for the principal portion of the draw on the Credit Facility on such date.

(f) In lieu of such mandatory Bond Sinking Fund redemption, the Bond Trustee shall, at the Written Request of the Borrower, purchase for cancellation an equal principal amount of Bonds of the maturity to be redeemed in the open market identified by the Borrower at prices specified by the Borrower not exceeding the principal amount of the Bonds being purchased plus accrued interest with such interest portion of the purchase price to be paid from the Interest Fund and the principal portion of such purchase price to be paid from the Bond Sinking Fund. In addition, the amount of Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Bonds of the maturity required to be redeemed which are acquired by the Borrower and delivered to the Bond Trustee for cancellation.

(g) In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the written request of the Borrower, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Bonds remaining outstanding on the first principal or Sinking Fund Installment date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal or Redemption Price of and interest on the Bonds to be redeemed or defeased (or to reimburse the Credit Facility Provider for a draw on the Credit Facility) or as otherwise directed by the Borrower if the Bond Trustee shall have received a Favorable Opinion of Bond Counsel.

Section 5.06. Optional Redemption Fund.

(a) There is established with the Bond Trustee and maintained so long as any of the Bonds are outstanding a separate fund to be known as the “Series 2024B-1 Bonds Optional Redemption Fund” (the “Optional Redemption Fund”). If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish a separate account within the Optional Redemption Fund to be known as the “Series 2024B-1 Bonds Credit Facility Redemption Account” (the “Credit Facility Redemption Account”). In the event of (i) prepayment by or on behalf of the Borrower of Loan Repayments or amounts payable on the Master Note, including prepayment with condemnation or insurance proceeds or proceeds of a sale consummated under threat of condemnation, or (ii) deposit with the Bond Trustee by the Borrower or the Authority of moneys from any other source for redeeming Bonds or purchasing Bonds for cancellation, such moneys shall, except as otherwise provided in this Bond Indenture, be deposited in the Optional Redemption Fund. Moneys on deposit in the Optional Redemption Fund shall be used, first, to make up any deficiencies existing in the Interest Fund and the Bond Sinking Fund (in the order listed) and, second, for the redemption or purchase of Bonds in accordance with the provisions of Article IV hereof; provided, however, that with respect to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall redeem the Bonds to be redeemed in accordance with the following paragraph (b) and any funds remaining on deposit in the Optional Redemption Fund (exclusive of the Credit Facility Redemption Account) on any date on which Bonds are optionally redeemed, after payment in full of the Redemption Price of all Bonds redeemed on such date from amounts on deposit in the Credit Facility Redemption

Account of the Optional Redemption Fund, shall be transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the draw made on the Credit Facility on such date to pay such Redemption Price.

(b) The Bond Trustee shall with respect only to Bonds that have the benefit of a Credit Facility which are to be optionally redeemed in accordance with the provisions of this Bond Indenture take such actions as are necessary to receive funds under the Credit Facility in (i) an amount which is equal to the principal amount of the Eligible Bonds to be so redeemed and (ii) an amount equal to the amount of interest due and owing on the Eligible Bonds to be so redeemed to the redemption date. Notwithstanding the foregoing, the Bond Trustee need not draw funds under the Credit Facility in order to optionally redeem Bonds, if an unqualified opinion of nationally recognized bankruptcy counsel is delivered to the Bond Trustee and Moody's (if Moody's is then a Rating Agency for the Bonds) to the effect that such condemnation, sale or insurance proceeds, as the case may be, are Eligible Moneys. All proceeds of drawings under the Credit Facility to make timely redemption or maturity payments (including payments of interest accruing on such Bonds to the redemption date) shall be deposited in the Credit Facility Redemption Account or Credit Facility Principal Account, as applicable, and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Eligible Bonds until applied as provided herein. With respect to Bonds that have the benefit of a Credit Facility, payments of the Redemption Price of Eligible Bonds to be redeemed pursuant to Section 4.01 hereof (including interest accrued on such Bonds to the redemption date) shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Redemption Account.

Section 5.07. Investment of Funds.

(a) Upon a Written Request of the Borrower to the Bond Trustee, moneys in the Project Fund, the Revenue Fund, the Interest Fund, the Bond Sinking Fund, the Optional Redemption Fund, the Rebate Fund and any other fund or account established hereunder shall be invested in Qualified Investments specified by the Borrower. The Bond Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments and such written instructions shall be deemed to be a certification that such directed investments constitute Qualified Investments. The Bond Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees. Qualified Investments shall be purchased at such prices as the Borrower may direct. All Qualified Investments shall be acquired subject to the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by the written request of the Borrower. No such request of the Borrower shall impose any duty on the Bond Trustee inconsistent with its fiduciary responsibilities. In the absence of written directions from the Borrower, the Bond Trustee shall hold such amounts uninvested in cash, without liability for interest. Notwithstanding anything else in this Bond Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Bond Trustee shall be authorized to reverse any such

transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Bond Indenture shall constitute a waiver of any of the Bond Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206. To the extent permitted by law, the Borrower and the Authority specifically waive compliance with 12 C.F.R. 12 and hereby notify the Bond Trustee that no brokerage confirmations need to be sent relating to the security transactions as they occur. Notwithstanding the foregoing, to the extent the Bond Trustee receives and invests amounts under this Bond Indenture, the Bond Trustee shall provide the Borrower and the Authority with periodic cash transactions statements which shall include details for all investment transactions made by the Bond Trustee hereunder. In the event that any fund or account holds more than one type of investment, and a situation requires the sale of an investment to create the necessary liquidity, the Borrower will provide written direction to the Bond Trustee regarding the sale of the investments.

(b) Unless otherwise specifically provided herein, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Bond Indenture shall be deposited when received in such fund or account.

(c) All proceeds of remarketing of Bonds and all proceeds of a drawing upon the Credit Facility or the Liquidity Facility shall be held by the Bond Trustee uninvested in an Eligible Account (as defined in Section 4.10(a)(iii) hereof) and shall not be commingled and shall be applied to the payment of Eligible Bonds only. Eligible Moneys held for the redemption or payment of Bonds shall not be commingled with any other funds held under this Bond Indenture. In the event that an account required to be an Eligible Account no longer complies with the requirement, the Bond Trustee should promptly upon having notice of such event (and in any case, within not more than 30 calendar days of such notice) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

(d) All income from investments on deposit in the Rebate Fund shall be retained therein.

(e) The Bond Trustee shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Bond Indenture. The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Bond Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Bond Trustee or for any third person or dealing as principal for its own account. The Parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice.

Section 5.08. Draws Upon Credit Facility. If a Credit Facility is in effect with respect to the Bonds, prior to using any other funds, if the Credit Facility is a letter of credit, the Bond Trustee shall, prior to 2:00 p.m., New York City time, on the Business Day immediately prior to each Interest Payment Date or each date on which principal or a Sinking Fund Installment is due, draw upon such Credit Facility in accordance with its terms in the amount necessary to fully provide for payments due on the Eligible Bonds on each such Interest Payment Date and on each date on which

principal or a Sinking Fund Installment is due, as the case may be (for deposit in the Credit Facility Interest Account or the Credit Facility Principal Account, as applicable). In the event that the Credit Facility Provider fails to honor the drawing on the Credit Facility or the Credit Facility is repudiated with respect to the regularly scheduled payment of the principal of and interest on the Bonds, the Bond Trustee shall apply amounts on deposit in the Revenue Fund to pay principal of or interest on the Bonds, and shall make immediate demand upon the Borrower for payment of such amounts in the event of any deficiency or shortfall in the Revenue Fund.

Section 5.09. Trust Funds. All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall, except as provided in Section 4.10 hereof, be trust funds under the terms hereof for the benefit of all Bonds outstanding hereunder (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Authority or the Borrower. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

Section 5.10. Rebate Fund. The Bond Trustee shall establish and maintain a separate account to be known as the "Series 2024B-1 Bonds Rebate Fund" (the "Rebate Fund"). The Bond Trustee shall make information regarding the Series 2024B-1 Bonds and investments under the Rebate Fund available to the Borrower and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund and shall maintain records for each investment relating to the purchase price thereof.

If a deposit to the Rebate Fund is required as a result of the computations made by the Borrower pursuant to the Tax Certificate, the Bond Trustee shall, upon receipt of written direction from the Borrower, accept such payment and deposit such payment in the Rebate Fund for the benefit of the Borrower. Records of the actions required by this Bond Indenture shall be retained by the Bond Trustee until six years after the Series 2024B-1 Bonds have matured or have been redeemed or such longer period as required by the Bond Trustee's policies and procedures.

If at any time the Borrower is required to retain a Rebate Analyst to calculate the Rebate Amount but fails to deliver a report to the Bond Trustee in a timely manner, then the Authority shall retain a Rebate Analyst, at the expense of the Borrower, to calculate the Rebate Amount.

Section 5.11. Establishment of Subaccounts. The Bond Trustee may, from time to time, create one or more subaccounts under any fund or account established hereunder as it may deem necessary, administratively desirable or prudent in carrying out its duties under this Bond Indenture.

ARTICLE VI PARTICULAR COVENANTS

Section 6.01. Payment of Principal, Redemption Price, Purchase Price and Interest. Subject to the limited source of payment hereinafter referred to, the Authority covenants that it will promptly pay or cause to be paid the principal, Redemption Price and Purchase Price of and interest on the Bonds issued under this Bond Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal, Redemption Price and Purchase Price of and interest on the Bonds are payable solely from Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or

account established pursuant to this Bond Indenture (other than the Rebate Fund and the Bond Purchase Fund), including certain funds drawn or advanced under the Credit Facility, if any, or the Liquidity Facility, if any, which is specifically pledged hereunder to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Bond Indenture shall be considered or construed as pledging any funds or assets of the Authority, other than those pledged hereby, or creating any liability of the Authority's Indemnified Parties.

Section 6.02. Performance of Covenants; Legal Authorization. The Authority covenants that it will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in this Bond Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto required on its part to be performed or observed. The Authority represents that it is duly authorized under the Constitution and laws of the Commonwealth to issue the Bonds authorized hereby, to execute this Bond Indenture, to assign the Loan Agreement (other than the right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Unassigned Rights) and the Master Note, and to pledge and assign the Revenues and the other assets purported to be pledged and assigned in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken; and that following due authentication by the Bond Trustee, the Bonds in the hands of the owners thereof, as shown on the register maintained by the Bond Trustee, are and will be valid and enforceable obligations of the Authority according to the import thereof.

Section 6.03. Instruments of Further Assurance; Against Encumbrances. The Authority agrees that the Bond Trustee may defend its rights to the payments and other amounts due under the Loan Agreement for the benefit of the Owners of the Bonds against the claims and demands of all persons whomsoever. The Authority covenants that it will, at the Borrower's cost, do, execute, acknowledge and deliver such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Bond Trustee all and singular the rights assigned and the amounts pledged to the payment of the principal of and premium, if any, and interest on the Bonds. The Authority covenants and agrees that, except as herein provided, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Revenues, or its rights thereunder.

Section 6.04. Rights under the Loan Agreement and the Master Note. The Bond Trustee shall promptly collect all amounts due from the Borrower and the Obligated Group, as applicable, pursuant to the Loan Agreement and the Master Note, and shall, subject to the provisions of this Bond Indenture, exercise all rights assigned to it pursuant to the Loan Agreement and, in the case of an Event of Default, shall, subject to the provisions of this Bond Indenture, enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority, whether or not the Authority has undertaken to enforce such rights, and all of the obligations of the Borrower and the Obligated Group, as applicable, under the Loan Agreement and the Master Note.

Section 6.05. Tax Covenants. The Authority shall at all times do and perform all acts and things reasonably within its control which are necessary or desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and shall

take no action reasonably within its control that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Authority agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

Section 6.06. Amendment of Loan Agreement; Other Covenants. The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement or consent to any such amendment, modification or termination without the written consent of the Bond Trustee and, while a Credit Facility or Liquidity Facility is in effect, of the Credit Facility Provider or Liquidity Facility Provider. The Bond Trustee shall give such written consent only if (1) in the opinion of Bond Counsel, such amendment is necessary to preserve the exclusion of interest on the Series 2024B-1 Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Bonds from Commonwealth income taxation; (2) in the Opinion of Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds; or (3) the Owners of a majority in principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination. No amendment, modification or termination of the Loan Agreement shall reduce the amount of Loan Repayments to be made to the Authority or the Bond Trustee by the Borrower pursuant to the Loan Agreement, or extend the time for making such payments, without the written consent of all of the Owners of Bonds then Outstanding. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon an Opinion of Counsel to the effect that the amendment is authorized and permitted by the terms of the Loan Agreement and complies with the terms hereof. The Bond Trustee may, but shall not be obligated to, consent to any amendment that affects the Bond Trustee's own rights, duties, liabilities or immunities.

Section 6.07. Continuing Disclosure. Pursuant to Section 5.03 of the Loan Agreement, the Borrower has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other Person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Bond Indenture, failure of the Borrower or the Dissemination Agent (as defined in the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds and being provided indemnification satisfactory to it, shall) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 5.03 of the Loan Agreement or to cause the Bond Trustee to comply with its obligations under this Section.

Section 6.08. Release and Substitution of the Master Note upon Delivery of Replacement Master Indenture. The Bond Trustee shall, within ten days of receipt of notice from the Master Trustee, surrender the Obligations to the Master Trustee upon presentation to the Bond Trustee of the following:

- (1) An original replacement note or similar obligation (the "Substitute Obligation") issued under and pursuant to and secured by a master trust indenture (the

"Replacement Master Indenture") executed by one or more entities (collectively, the "New Group") and an independent corporate trustee (the "New Trustee"), which Substitute Obligation has been duly authenticated by the New Trustee under the terms of the Replacement Master Indenture and is in a principal amount, bears interest, has prepayment terms and is otherwise of similar tenor to the Master Note;

- (2) An Opinion of Counsel addressed to the Bond Trustee to the effect that: (1) the Replacement Master Indenture has been duly authorized, executed and delivered by each member of the New Group, the Substitute Obligation has been duly authorized, executed and delivered by the Obligated Group and the Replacement Master Indenture and the Substitute Obligation are each a legal, valid and binding obligation of each member of the New Group, subject in each case (A) to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity; (B) to the qualification that the provisions of the Replacement Master Indenture and the Substitute Obligation requiring payments to be made thereunder may not be enforceable if such payments (i) are requested with respect to payments on any Substitute Obligation which was issued for a purpose which is not consistent with the charitable purposes of the Members of the Obligated Group as expressed in the Articles of Incorporation and Bylaws of the Members of the Obligated Group or which was incurred or issued for the benefit of any entity other than a nonprofit corporation which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code; (ii) are requested to be made from any assets which are donor restricted or which are subject to a direct, express or charitable trust which does not permit the use of such assets for such payments; (iii) would result in the cessation or discontinuation of any material portion of the education, academic medical and health care or related services previously provided by the Members of the Obligated Group; or (iv) are requested to be made pursuant to any loan which violates applicable usury laws; and (C) to the qualification that the enforcement of any indemnification provisions of the Replacement Master Indenture may be limited by applicable securities laws or public policy; (2) all requirements and conditions to the issuance of the Substitute Obligation set forth in the Replacement Master Indenture have been complied with and satisfied, including, but not limited to, the perfection of any security interest created thereunder; and (3) registration of the Substitute Obligation under the Securities Act of 1933, as amended, is not required, or such registration has occurred;

- (3) A Favorable Opinion of Bond Counsel with respect to the Series 2024B-1 Bonds;
- (4) An original or fully executed copy of the Replacement Master Indenture;
- and
- (5) Such reasonable indemnities as the Bond Trustee may request.

Upon satisfaction of such conditions, all references herein and in the Loan Agreement to the Master Note shall be deemed to be references to the Substitute Obligation, all references to the Master Indenture shall be deemed to be references to the Replacement Master Indenture, all references to the Master Trustee shall be deemed to be references to the master trustee under the

Replacement Master Indenture, all references to the Obligated Group, the Members of the Obligated Group and the Combined Group Agent shall be deemed to be references to the New Group and the credit group agent for the New Group and all references to the Fourth Supplement shall be deemed to be references to the supplemental master indenture pursuant to which the Replacement Obligation is issued. The Bond Trustee has no duty or obligation to review any such Replacement Master Indenture and is fully protected in delivering the Master Note for cancellation and replacement upon receipt of the items set forth herein.

Section 6.09. Accounting Records and Financial Statements.

(a) The Bond Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by or on behalf of the Bond Trustee relating to the proceeds of Bonds, the Master Note and all funds and accounts established pursuant to this Bond Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or the agent or representative of any of them duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Bond Trustee shall furnish to the Borrower within thirty (30) days after the end of each month, and to the Authority upon request of the Authority, a cash transaction statement (which need not be audited) covering receipts, disbursements, allocation and application of payments by the Borrower and any other moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Bond Indenture for such month. The Bond Trustee shall also furnish to each Bondholder a copy of its monthly cash transaction statement upon written request and at the Bondholder's expense.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 7.01. Events of Default.

The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise, or default in the redemption of any Bonds from Sinking Fund Installments in the amount and at the times provided therefor;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) subject to the provisions of Section 4.18(b) hereof, failure to pay the Purchase Price of any Bond tendered pursuant to Article IV hereof when such payment is due;

(d) a Loan Default Event;

(e) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Indenture or any agreement supplemental hereto to be performed on the part of the Authority, and such default shall continue for the period of 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Borrower by the Bond Trustee which notice the Bond Trustee may give in its discretion and must give at the written request of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding hereunder exclusive of Bonds then owned by the Authority or the Borrower; provided that, if such default cannot with due diligence and dispatch be cured within 60 days but can be cured, the failure of the Authority to remedy such default within such 60 day period shall not constitute a default hereunder if the Bond Trustee is provided with a certification from the Authority or the Borrower, as the case may be, to the effect that such default cannot with due diligence and dispatch be cured within 60 days but can be cured and the Authority or the Borrower, as the case may be, shall as soon as practicable upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch within 180 days of the delivery of such default notice;

(f) (i) receipt by the Bond Trustee of written notice from the Credit Facility Provider stating that an event of default has occurred under the Credit Facility Agreement and directing the Bond Trustee to declare the principal of the outstanding Bonds supported by such Credit Facility immediately due and payable; or (ii) receipt by the Bond Trustee of written notice from the Liquidity Facility Provider stating that an event of default has occurred under the Liquidity Facility Agreement;

(g) receipt by the Bond Trustee of a written notice from the Credit Facility Provider that amounts available to pay interest under the Credit Facility will not be reinstated following a drawing thereunder to pay interest and directing the Bond Trustee to declare the principal of the outstanding Bonds supported by such Credit Facility immediately due and payable;

(h) during a Direct Purchase Period, receipt by the Bond Trustee of written notice from the Direct Purchaser that an event of default has occurred under the Bondholder Agreement, which notice may in addition instruct the Bond Trustee to accelerate the Bonds pursuant to Section 7.02 or instruct the Bond Trustee to subject the Bonds to mandatory tender pursuant to Section 4.08(b) hereof; or

(i) a declaration by the Master Trustee of the entire principal amount of all Outstanding Obligations (as defined in the Master Indenture) and the interest accrued thereon to be immediately due and payable.

Upon a Responsible Officer of the Bond Trustee having actual knowledge of the existence of any Event of Default, the Bond Trustee shall notify the Borrower, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Remarketing Agent, if any, the

Direct Purchaser, if any, and the Master Trustee in writing as soon as practicable; provided, however, that the Bond Trustee need not provide notice of any Event of Default pursuant to paragraph (d) if the Borrower has expressly acknowledged the existence of such default in a writing delivered to the Bond Trustee, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Master Trustee.

Section 7.02. Acceleration; Annulment of Acceleration.

(a) If an Event of Default described in Section 7.01(a), (b), (c), (d), (f), (g) or (h) shall occur, then the Bond Trustee, at the direction of or with the written consent of the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, at the direction of or with the written consent of the Direct Purchaser, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser, the Bond Trustee may and, upon the written request of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(b) If an Event of Default described in Section 7.01(i) shall occur, the Bond Trustee shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(c) If an Event of Default described in Section 7.01(e) shall occur, the Bond Trustee may, with the written consent of, and shall at the written direction of, the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, shall at the direction of, or may with the written consent of, the Direct Purchaser, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser may, with the written consent of, and shall at the written request of, Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, take whatever action at law or in equity is necessary or desirable to enforce the performance, observance or compliance by the Authority with any covenant, agreement or condition by the Authority under this Bond Indenture. In addition, if an Event of Default described in Section 7.01(c) shall occur, the Bond Trustee shall, at the direction of, or may, with the written consent of, the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, shall, at the direction of, or may, with the written consent of, the Direct Purchaser, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor properly presented and conforming draw under the Credit Facility) or Direct Purchaser, the Bond Trustee may, upon the written consent of, or shall, at the direction of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(d) Upon the declaration by the Bond Trustee of the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, the principal of all the Bonds then Outstanding, and the interest accrued thereon, shall become and shall be immediately due and payable, anything in this Bond Indenture to the contrary notwithstanding. The Bond Trustee shall give or cause to be given notice of acceleration of the Bonds by first class mail to the Bondholders and of such date for payment upon acceleration at least eight days before such date for payment. Notice of such declaration having been given as aforesaid, anything to the contrary contained in this Bond Indenture or in the Bonds, notwithstanding, interest shall cease to accrue on such Bonds from and after the date set forth in such notice (which date shall be no more than eight days from the date of such declaration). The Bond Trustee shall not be required to make payment to any Bondholder until the Bonds shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority (but only out of Revenues received from or on behalf of the Borrower) or the Borrower shall deposit with the Bond Trustee a sum sufficient to pay all the principal, Redemption Price and Purchase Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Bond Trustee, and if the Bond Trustee has received notification from the Master Trustee that any declaration of acceleration of the Master Note has been annulled pursuant to the Master Indenture and any and all other defaults known to the Bond Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bond Trustee or provision deemed by the Bond Trustee to be adequate shall have been made therefor, then the Bond Trustee shall, with the written consent of the Credit Facility Provider, if a Credit Facility is then in effect and the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility, and upon receipt by the Bond Trustee of written confirmation that the Credit Facility has been reinstated, by written notice to the Authority, the Borrower and the Bond Trustee, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(e) Immediately after any acceleration hereunder, the Bond Trustee, to the extent it has not already done so, shall notify in writing the Authority and the Borrower of the occurrence of such acceleration.

(f) In the event that the Master Trustee has accelerated the Master Note and is pursuing its available remedies under the Master Indenture, the Bond Trustee, without waiving any Event of Default under this Bond Indenture, agrees not to pursue its available remedies under this Bond Indenture or the Loan Agreement in a manner that would hinder or frustrate the pursuit by the Master Trustee of its remedies under the Master Indenture provided that the Bond Trustee may take any action permitted of an Obligation holder under the Master Indenture.

(g) Notwithstanding anything contained herein to the contrary, however, while a Credit Facility is in effect or with respect to Direct Purchase Bonds, the Bonds shall not be declared immediately due and payable, nor shall they be subject to acceleration, nor shall any Event of Default be waived without the prior written consent or direction to such action by the Credit Facility Provider or the Direct Purchaser, as applicable.

Section 7.03. Rights of the Bond Trustee and the Authority Concerning the Master Note. The Bond Trustee, as pledgee and assignee of certain of the right, title and interest of the Authority in and to the Loan Agreement and all of its right, title and interest as assignee of the Master Note shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article, be the real party in interest with standing to enforce each and every right granted to the Authority under the Loan Agreement (other than the Authority's right to receive any Administrative Fees and Expenses to the extent payable to the Authority, or with respect to its Unassigned Rights) and under the Master Note which have been assigned to the Bond Trustee by this Bond Indenture. The Authority and the Bond Trustee hereby agree, without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of rights of the Authority in and to the Master Note and certain rights of the Authority under the Loan Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Authority or its default hereunder or on the Bonds. In exercising such rights and the rights given the Bond Trustee under this Article, the Bond Trustee shall take such action as, in the good faith judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to Holders of Master Note thereunder.

Section 7.04. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Bond Trustee shall, upon the written request of the Credit Facility Provider, if any, or, during a Direct Purchase Period, the Direct Purchaser (subject to Sections 7.13 and 7.14 hereof), and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser, upon the written request of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, together with indemnification of the Bond Trustee to its satisfaction therefor, proceed forthwith to protect and enforce its rights and the rights of the Bondholders hereunder and under the Act and the Bonds by such suits, actions or proceedings as the Bond Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (i) civil action to recover money or damages due and owing;
- (ii) civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Bonds;
- (iii) enforcement of any other right of the Authority and the Bondholders conferred by law or hereby; and

(iv) enforcement of any other right conferred by the Loan Agreement, the Master Note or the Master Indenture.

(b) Regardless of the happening of an Event of Default, the Bond Trustee, if requested in writing by the Credit Facility Provider or the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders; provided that such request is in accordance with law and the provisions hereof.

Section 7.05. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of Administrative Fees and Expenses, and the cost and expenses of the proceedings resulting in the collection of such moneys and of the outstanding fees, expenses, liabilities and advances incurred or made by the Bond Trustee (subject to Section 11.10 hereof and other than moneys required to be deposited in the Bond Purchase Fund) shall be applied by the Bond Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Bond Trustee to protect the interests of the Holders of the Bonds and payment of reasonable fees, expenses and indemnities of the Bond Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Bond Indenture and the creation of a reasonable reserve for anticipated fees, costs and expenses; and

(b) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) and any Reimbursement Obligations related thereto subject to the provisions of this Bond Indenture, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

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 any Reimbursement Obligations related to drawings on the Credit Facility for payment of interest), and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal (including Sinking Fund Installments) or Purchase Price or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for

redemption or purchase, in the order of their due dates (and any Reimbursement Obligations related to drawings on the Credit Facility for payment of principal (including Sinking Fund Installments) or Purchase Price or Redemption Price of any Bonds) with interest on the overdue principal at the rate borne by the respective Bonds or such Reimbursement Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, 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: During a Direct Purchase Period, to the payment to the Direct Purchaser (if any) of any amounts payable under the Bondholder Agreement or during any period in which a Credit Facility or Liquidity Facility is in effect, to the Credit Facility Provider or Liquidity Facility Provider of any amounts payable under the Credit Facility or Liquidity Facility, as applicable.

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable,

FIRST: To the payment of the principal and interest then due and unpaid upon the Bonds (and Reimbursement Obligations), with interest on the overdue principal at the rate borne by the respective Bonds or such Reimbursement Obligations and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

SECOND: During a Direct Purchase Period, to the payment to the Direct Purchaser (if any) of any amounts payable under the Bondholder Agreement, or during any period in which a Credit Facility or Liquidity Facility is in effect, to the Credit Facility Provider or Liquidity Facility Provider of any amounts payable under the Credit Facility or Liquidity Facility, as applicable.

(iii) Notwithstanding anything herein to the contrary, in no event shall the Bond Trustee be entitled to payment of its fees or expenses from any amounts held hereunder which constitute remarketing proceeds, proceeds of a drawing upon a Credit Facility or a Liquidity Facility or any moneys held under the Bond Purchase Fund.

Section 7.06. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Bond Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute (including the Act) on or after the date hereof.

Section 7.07. Remedies Vested in Bond Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Bond Trustee, without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 7.05 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds. Nothing herein shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Bond Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owner so affected.

Section 7.08. Bondholders' Control of Proceedings. If an Event of Default shall have occurred and be continuing, the Holders of a majority in principal amount of all Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Bond Trustee as provided herein). Nothing in this Section shall impair the right of the Bond Trustee in its discretion to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 7.09. Individual Bondholder Action Restricted.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder except upon the occurrence of all of the following events:

(i) the Credit Facility Provider or the Holders of at least a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Bond Trustee to proceed to exercise the powers granted herein; and

(ii) the Credit Facility Provider or such Bondholders shall have offered the Bond Trustee indemnity as provided in Section 8.06 hereof; and

(iii) the Bond Trustee shall have failed or refused to exercise the duties or powers herein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) during such 60 day period no direction inconsistent with such written request has been delivered to the Bond Trustee by the Credit Facility

Provider or the Holders of a majority in principal amount of Bonds then Outstanding.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the money, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds.

Section 7.10. Termination of Proceedings. In case any proceedings taken on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, the Liquidity Facility Provider, the Credit Facility Provider, or the Bondholders, then the Authority, the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bondholders shall be restored to their former positions and rights hereunder, and all rights and powers of the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bondholders shall continue as if no such proceeding had been taken.

Section 7.11. Waiver of Event of Default.

(a) No delay or omission of the Bond Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or in acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Bond Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, on or before the completion of the enforcement of any other remedy hereunder.

(c) The Bond Trustee, upon the written request of the Credit Facility Provider or the Holders of a majority in principal amount of the Bonds then Outstanding, shall waive any Event of Default hereunder and its consequences; provided, however, that a default in the payment of the principal or Redemption Price of or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding, for which payment of the principal or Redemption Price of or interest on has not been made.

(d) In case of any waiver by the Bond Trustee of an Event of Default hereunder, the Authority, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Bond Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

(e) Notwithstanding anything herein to the contrary, while a Credit Facility is in effect, the Bond Trustee shall not waive any Event of Default unless the Credit Facility Provider shall have rescinded in writing any default notice given by it and the Credit Facility shall have been reinstated in full. Notwithstanding anything herein to the contrary, with respect to Direct Purchase Bonds, the Bond Trustee shall not waive any Event of Default unless the Direct Purchaser, if any, shall have consented to such waiver in writing.

Section 7.12. Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Bond Trustee, the Liquidity Facility Providers, the Credit Facility Providers, the Direct Purchaser, if any, and Bondholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Bond Trustee, the Liquidity Facility Providers, the Credit Facility Providers, and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Bond Indenture and by law.

Section 7.13. Consent of the Credit Facility Provider; Action at Direction of the Credit Facility Provider. If a Credit Facility is in effect, unless the rights of the Credit Facility Provider are not in effect as provided in Section 11.16 hereof, the written consent of the Credit Facility Provider shall be required (a) for the initiation by Bondholders of any action to be undertaken by the Bond Trustee at the Bondholders' request, which under this Bond Indenture or the Loan Agreement or the Master Indenture requires the written approval or consent of or can be initiated by the holders of Bonds, (b) for the purposes of consents and directing action under the Loan Agreement or the Master Indenture, and (c) for the purpose of acceleration of the principal of the Bonds or the Master Note, the annulment of any declaration of acceleration, and waivers of Events of Default. If a Credit Facility is in effect, unless the rights of the Credit Facility Provider are not in effect as provided in Section 11.16, the Bond Trustee shall, upon the written direction of the Credit Facility Provider and upon being indemnified as provided in Section 8.06, take any action available to the Bond Trustee hereunder or under the Loan Agreement or the Master Indenture.

Unless otherwise provided in this Section 7.13, the granting of the Credit Facility Provider's consent shall be in lieu of Bondholder consent, whenever this Bond Indenture otherwise requires Bondholder consent, including without limitation, (i) the execution and delivery of any Supplemental Bond Indenture or any amendment, supplement or change to or modification of the Loan Agreement, the Master Note or the Master Indenture; (ii) the removal of the Bond Trustee and the selection and appointment of any successor Bond Trustee; and (iii) the initiation or approval of any action not described in (i) or (ii) above which requires the consent of the Holders.

Section 7.14. Rights of Holder When Bonds in Direct Purchase Period. Notwithstanding anything contained in this Article VII or this Bond Indenture to the contrary and subject to the provisions of the Master Indenture, during any period when the Bonds are in the Direct Purchase Mode, the Direct Purchaser shall have the right to enforce the rights and remedies provided to the

Bond Trustee hereunder, to consent to amendments to this Bond Indenture and the Loan Agreement and to control all proceedings relating to the exercise of such rights and remedies in its own name and not subject to the restrictions contained herein.

ARTICLE VIII THE BOND TRUSTEE

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

(a) At the request of the Borrower, the Authority hereby appoints The Bank of New York Mellon Trust Company, N.A., as Bond Trustee. The Bond Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied duties (including fiduciary duties), covenants or obligations shall be read into this Bond Indenture against the Bond Trustee. The Bond Trustee shall, during the existence of any Event of Default (which has not been cured or waived in accordance herewith), exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Bond Trustee shall not be required to provide, on its own behalf, any surety bond or other kind of security in connection with the execution of any of its trusts or powers under this Bond Indenture or any other related document or the performance of its duties hereunder.

(b) The Authority shall remove the Bond Trustee (i) upon written request of the Borrower at any time unless an Event of Default shall have occurred and then be continuing, (ii) upon the occurrence and continuation of an Event of Default, if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (iii) if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving 30 days' prior written notice of such removal to the Bond Trustee, and thereupon shall appoint, with the written consent of the Borrower, a successor Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign by giving written notice of such resignation to the Authority and the Authorized Representative of the Borrower and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Bond Trustee. Upon receiving such notice of resignation, the Authority, at and in accordance with the written direction of the Authorized Representative of the Borrower, shall promptly appoint a successor Trustee by an instrument in writing.

(d) The Bond Trustee shall not be relieved of its duties until a successor Trustee has accepted appointment and assumed the duties of the Bond Trustee hereunder. Any removal or resignation of the Bond Trustee and appointment of a successor Trustee shall only become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 30 days of giving notice of removal or notice of resignation as aforesaid, the retiring Trustee at the expense of the Borrower, the Borrower or any Holder (on behalf of such Holder and all other Holders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Bond Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, the Authorized Representative of the Borrower and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the Authority, the Authorized Representative of the Borrower or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Bond Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall cause such successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Holders at the addresses shown on the registration books maintained by the Bond Trustee.

(e) Any successor Trustee shall be a trust company, national bank or other bank having the powers of a trust company having (or, in the case of a trust company or bank included in a bank holding company system, with a bank holding company having) a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such trust company, national bank or other bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond

Trustee may sell or transfer all or substantially all of its municipal corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Bond Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the legality, validity or sufficiency of this Bond Indenture, the Loan Agreement, the Master Note or any other document related hereto, or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Bond Trustee or its powers. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, or willful misconduct; provided, that this shall not be construed to limit the effect of subsection (f) or (o) hereof. The Bond Trustee may become the owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, 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, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

(b) The Bond Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Bond Trustee was negligent.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Credit Facility Provider or Holders of not less than a majority in aggregate principal amount (or such lesser principal amount as is provided hereby) of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture.

(d) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Indenture, including at the request, order or direction of any of the Bondholders pursuant to the provisions of this Bond Indenture unless such Bondholders shall have offered to the Bond Trustee security or indemnity satisfactory to the Bond Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Bond Indenture unless it shall be proved that the Bond Trustee was negligent.

(f) No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) Whether or not therein expressly so provided, every provision of this Bond Indenture, the Loan Agreement, the Master Note or other documents relating to the issuance of the Bonds, relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Article.

(h) The Bond Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, requisition, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Bond Trustee, in its discretion and at its expense, may make such further investigation or inquiry into such facts or matters as it may deem fit.

(i) The Bond Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The Bond Trustee shall not be deemed to have knowledge of an Event of Default hereunder, under the Loan Agreement, the Master Note or any other document related to the Bonds unless a Responsible Officer of the Bond Trustee shall have actual knowledge of such an Event of Default. As used herein, "actual knowledge" shall mean the actual fact or statement of knowing without any independent duty to make any investigation with regard thereto.

(k) The Bond Trustee shall not be accountable for the use or application by the Authority or the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any paying agent. The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and the Bond Trustee shall not be answerable for other than its negligence or willful misconduct.

(l) The Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Bond Indenture and delivered using Electronic Means; provided, however, that the Authority and/or the Borrower shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and/or the Borrower whenever a person is to be added or deleted from the listing. If the Authority and/or the Borrower elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Authority and the Borrower understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an

Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Authority and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and that the Authority, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and/or the Borrower. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and the Borrower; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(m) In acting or omitting to act pursuant to the Loan Agreement, the Tax Certificate or any other documents executed in connection herewith or therewith, the Bond Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Bond Indenture, the Loan Agreement and the Tax Certificate including, but not limited to, this Article VIII.

(n) To the extent that the Bond Trustee is the holder of an Obligation under the Master Indenture, in its capacity as Bond Trustee hereunder, the Bond Trustee shall not be required to take any action or exercise any discretion under the Master Indenture as an Obligation holder, including, without limitation, exercising voting or consent rights, without receiving the written direction of the owners of all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture.

(o) The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Bond Indenture, including without limitation, recording or filing any financing statements, continuation statements or any other documents or taking any other actions to perfect or continue the perfection of any security interest in any collateral given to or held by the Bond Trustee.

(p) To the fullest extent permitted by law and notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall not be personally liable for (x) special, consequential or punitive damages, however styled, including, without limitation, lost profits or (y) the acts or omissions of any nominee, correspondent, clearing agency or securities depository through which it holds the Bonds or accounts.

(q) Notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall not be responsible or liable for its failure to perform under this Bond Indenture or for any losses resulting from any event beyond the reasonable control of the Bond Trustee, its agents or subcustodians, including but not limited to nationalization, strikes, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Bonds; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or acts of war, terrorism, insurrection or revolution; or acts of God; or any other similar event.

(r) The Bond Trustee shall not be deemed to have knowledge or notice of any fact or event unless a Responsible Officer of the Bond Trustee has actual knowledge thereof or unless written notice of such fact or event is received by a Responsible Officer and such notice references the fact or event.

(s) The Bond Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Bond Indenture and the Loan Agreement, whether or not an original or a copy of such agreement has been provided to the Bond Trustee.

(t) The Bond Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Bond Indenture and the Loan Agreement.

(u) Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Borrower, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(v) The Bond Trustee shall be fully protected in acting upon any order, judgement or decree of a court of competent jurisdiction.

(w) The Bond Trustee shall be entitled to request and receive written instructions from owners of all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture, and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Bond Trustee in accordance with the written direction of owners of not less than all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture.

(x) Notwithstanding anything to the contrary herein, the Bond Trustee shall have no duty to prepare or file any Federal or state tax report or return with respect to any funds held pursuant to this Bond Indenture or any income earned thereon, except for the delivery and filing of tax information reporting forms required to be delivered and filed with the Internal Revenue Service. Upon the Bond Trustee's request the Bond Trustee shall be provided with certified tax identification numbers and appropriate forms W-9 or W-8 and such other forms and documents that the Bond Trustee may request.

Section 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee shall be fully protected in acting upon any notice, resolution, request, consent, order, judgement, certificate, statement, requisition, electronic mail, 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. Before the Bond Trustee acts or refrains from acting, it may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, or with accountants or other skilled persons, and the opinion of such counsel, accountants or other skilled persons shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Bond Trustee may act with such full and complete authorization and protection so long as whenever the Bond Trustee is to receive an Opinion of Counsel upon which it will rely in taking or omitting to take action, the Bond Trustee shall specifically request that the Authority be named as an addressee of such Opinion of Counsel. If the Bond Trustee is informed that counsel will not name the Authority as an addressee of such opinion, the Bond Trustee will promptly send notice to the Authority and the Bond Trustee will refrain from acting upon any such Opinion of Counsel for a period of three (3) business days unless in the opinion of the Bond Trustee such delay would adversely affect the interests of the Bond owners.

With the exception of Persons in whose names Bonds are registered on the books maintained by the Bond Trustee for such purpose, the Bond Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed, and such Holder is registered on the books maintained by the Bond Trustee.

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

Section 8.05. Preservation and Inspection of Documents. All documents received by the Bond Trustee under the provisions of this Bond Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Borrower and any Holder, and their agents and representatives duly authorized in writing (if such Holder provides to

the Bond Trustee 30 days prior written notice and such notice specifies a date upon which such inspection shall occur), during normal business hours and under reasonable conditions.

Section 8.06. Performance of Duties. The Bond Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall be absolutely protected in relying thereon. The Bond Trustee shall not be responsible for the negligence or willful misconduct of such persons selected by it with due care.

The Bond Trustee shall be paid its fees and expenses (including, without limitation, legal fees and expenses) hereunder by the Borrower in accordance with a separate fee schedule, and pursuant to the terms of the Loan Agreement. The Bond Trustee shall also be indemnified by the Borrower pursuant to the terms of the Loan Agreement. When the Bond Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

ARTICLE IX MODIFICATIONS OR AMENDMENTS

Section 9.01. Amendments to Bond Indenture.

(a) This Bond Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Bond Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Bond Trustee may enter into with the written consent of (i) the Credit Facility Provider (provided that the Credit Facility is then in effect with respect to all Bonds then Outstanding and the Credit Facility Provider has not lost its rights pursuant to the provisions of Section 11.16 hereof) and the Borrower or (ii) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding (if no Credit Facility is in effect or the Credit Facility Provider has lost its rights pursuant to the provisions of Section 11.16 hereof) and the Borrower shall have been filed with the Bond Trustee. No such modification or amendment shall (1) extend the Maturity Date of any Bond, or reduce the amount of principal thereof, or extend the time of payment or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien prior to or on a parity with the lien created by this Bond Indenture, or deprive the Holders of the Bonds of the lien created by this Bond Indenture (except as expressly provided in this Bond Indenture), without the consent of the Holders of all Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Bond Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Bond Trustee of any Supplemental Bond Indenture pursuant to

this subsection (a), the Bond Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Bond Indenture to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Bond Indenture.

(b) This Bond Indenture and the rights and obligations of the Authority, of the Bond Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Bond Trustee may enter into with the consent of the Borrower, but without the necessity of obtaining the consent of any Bondholders or Credit Facility Provider, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority contained in this Bond Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority; provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d);

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Bond Indenture, or in regard to matters or questions arising under this Bond Indenture, including but not limited to reflecting the creation of separate sub-Series for the Bonds, reflecting the serialization of the Bonds upon their Conversion to a Fixed Mode or reflecting the conversion of serial Bonds to term Bonds or other adjustments to the amortization and payment schedule in connection with their Conversion from a Fixed Mode, as the Authority or the Bond Trustee may deem necessary or desirable and not inconsistent with this Bond Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds;

(iii) to modify, amend or supplement this Bond Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d);

(iv) to evidence or give effect to, or to conform to the terms and provisions of, any Liquidity Facility or any Credit Facility, including a Self-Liquidity Arrangement;

(v) to facilitate and implement any book-entry system (or any termination of a book-entry system) with respect to the Bonds in accordance with the terms hereof;

(vi) to maintain the exclusion from gross income of interest payable with respect to the Bonds;

(vii) to make any modification or amendment to this Bond Indenture which will be effective upon the Conversion and/or remarketing of Bonds following the mandatory tender of the Bonds pursuant to Section 4.07;

(viii) to provide for the appointment of a successor bond trustee or co-trustee pursuant to the terms of Section 8.01(b) or (c) hereof; or

(ix) to make any modification or amendment to this Bond Indenture which shall not materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d).

(c) The Bond Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Bond Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Bond Trustee's own rights, duties or immunities under this Bond Indenture or otherwise.

(d) In executing, or accepting the additional trusts created by, any Supplemental Bond Indenture permitted by this Article or the modification thereby of the trusts created by this Bond Indenture, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Bond Indenture is authorized or permitted by this Bond Indenture and complies with the terms hereof.

Section 9.02. Effect of Supplemental Bond Indenture. Upon the execution of any Supplemental Bond Indenture pursuant to this Article, this Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture of the Authority, the Bond Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Bond Indenture shall be deemed to be part of the terms and conditions of this Bond Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Bond Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Bond Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of such Holder's Bond for the purpose at the Corporate Trust Office of the Bond Trustee or at such additional offices as the Bond Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Bond Indenture shall so provide, new Bonds so modified as to conform to any modification or

amendment contained in such Supplemental Bond Indenture, shall be prepared by the Bond Trustee at the expense of the Borrower, executed by the Authority and authenticated by the Bond Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office of the Bond Trustee, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

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

ARTICLE X SATISFACTION OF THIS BOND INDENTURE

Section 10.01. Discharge of Bond Indenture. Bonds may be paid in any of the following ways, provided that the Borrower also pays or causes to be paid any other sums payable hereunder and related to such Bonds:

- (a) by paying or causing to be paid the principal or Redemption Price of and interest on Outstanding Bonds, as and when the same become due and payable;
- (b) by depositing with the Bond Trustee, in trust, at or before maturity, money or Defeasance Obligations in the amount necessary (as provided in Section 10.03) to pay or redeem all Bonds Outstanding; or
- (c) by delivering to the Bond Trustee, for cancellation by it, Outstanding Bonds.

If the Authority, the Borrower or the Bond Trustee shall also pay or cause to be paid all other sums payable hereunder by the Authority, and if the Borrower shall have paid all expenses payable to the Authority and the Bond Trustee, and any indemnification owed to the Authority, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Bond Trustee, signifying the intention of the Borrower to discharge all such indebtedness and this Bond Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Bond Indenture and the pledge of Revenues and other assets made under this Bond Indenture and all covenants, agreements and other obligations of the Authority under this Bond Indenture shall cease, terminate, become void and be completely discharged and satisfied (except with respect to the transfer or exchange of Bonds provided for herein or therein, the payment of principal of and interest on the Bonds when due, the redemption of Bonds provided for in Article IV hereof and the payment of or the provision for any rebate payments then due and payable to the United States Treasury as specified in the Tax Certificate. In such event, upon Written Request of the Borrower, the Bond Trustee shall execute and deliver to the Authority and the Borrower all such instruments as may be necessary or desirable (and prepared by or on behalf of the Authority or the Borrower) to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to this Bond Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption. The release of

the obligations of the Authority hereunder shall be without prejudice to the right of the Bond Trustee to be paid reasonable compensation for all services rendered hereunder by it and all reasonable expenses, charges and other disbursements (from any money in its possession under the provisions of this Bond Indenture, subject only to the prior lien of the Bonds for the payment of the principal thereof and the interest thereon) incurred on or about the administration of the trust hereby created and the performance of its duties hereunder, nor its right to indemnification hereunder and under the Loan Agreement.

Section 10.02. Effect of Defeasance. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the amount necessary (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond) and, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, this Bond Indenture may be released and discharged in accordance with the provisions hereof and of Section 10.01, but the liability of the Authority in respect of such Bonds shall continue but only to the extent that the Holder thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Bond Trustee as aforesaid for their payment; and, provided, further, that the provisions of Section 10.04 shall apply in any event.

With respect to any Weekly Bonds, Two Day Bonds or Daily Bonds enhanced with a Liquidity Facility or Credit Facility that, in either case, is a direct-pay letter of credit, any such initial deposit or initial investment must be made with Eligible Moneys. Prior to defeasing any Weekly Bonds, Two Day Bonds or Daily Bonds enhanced by a Liquidity Facility or a Credit Facility pursuant to this Section 10.02, the Borrower shall either (i) obtain written confirmation from each Rating Agency then rating the Bonds that the ratings on the Bonds will not be lowered or withdrawn as a result of the defeasance of the Bonds or (ii) cause the Liquidity Facility or Credit Facility then in effect to remain in effect until the earlier of the final redemption date or the maturity date of the defeased Bonds.

Notwithstanding anything in this Bond Indenture to the contrary, Bonds secured by a Liquidity Facility or a Credit Facility shall not be defeased unless each of the following conditions is satisfied: (1) the defeasance escrow for such Bonds shall be held uninvested in cash only and shall not be invested in Defeasance Obligations or any other form of investment; and (2) there shall be delivered to the Bond Trustee and the Authority a verification report of an accountant as to the adequacy of the defeasance escrow so established. The rights of the Holders of Bonds bearing interest at a Daily Rate, a Two Day Rate, a Window Rate, a VRO Rate or a Weekly Rate to optionally tender such Bonds pursuant to Section 4.06(a) hereof shall continue to be in full force and effect during the defeasance escrow period and shall remain in effect until the redemption date of such Bonds.

Section 10.03. Deposit of Money or Securities with Bond Trustee. Whenever in this Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the amount necessary to pay or redeem any Bonds, the money or

securities so to be deposited or held may include money or securities held by the Bond Trustee in the funds and accounts established pursuant to this Bond Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity (based on an assumed interest rate equal to the Maximum Interest Rate for periods for which the actual interest rate on the Bonds cannot be determined), except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon (based upon an assumed interest rate equal to the Maximum Interest Rate, for periods for which the actual interest on the Bonds cannot then be determined) to the redemption date; or

(b) Defeasance Obligations, the principal of and interest on which when due will provide money sufficient, without regard to any reinvestment thereof, to pay the principal or Purchase Price for any Bonds tendered for purchase (in which case the tendered Bonds shall be purchased and shall be cancelled), or Redemption Price of and all unpaid interest to maturity (based on an assumed interest rate equal to the Maximum Interest Rate for periods for which the actual interest rate on the Bonds cannot be determined) or to the Purchase Date or redemption date, as the case may be, on the Bonds to be paid, purchased or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice; and, provided further, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of this Bond Indenture or by Written Request of the Borrower or the Authority) to apply such money to the payment of such principal or Purchase Price or Redemption Price and interest with respect to such Bonds.

Prior to any defeasance becoming effective under this Section 10.03, the Borrower shall deliver, or caused to be delivered, to the Bond Trustee and the Authority (a) if Defeasance Obligations comprise all or part of the defeasance deposit, a copy of a certificate of an independent certified public accountant or firm of such accountants or financial institution experienced in delivering verification reports indicating the sufficiency of the maturing principal and the interest income on such Defeasance Obligations to pay when due the principal or Redemption Price of and interest on such Bonds and (b) with respect to the Series 2024B-1 Bonds, a Favorable Opinion of Bond Counsel, addressed to the Authority, to the effect that the Series 2024B-1 Bonds have been paid within the meaning of this Section 10.03 and are no longer Outstanding under the terms of this Bond Indenture.

Section 10.04. Payment of Bonds After Discharge of Bond Indenture. Notwithstanding the discharge of the lien hereof as in this Article provided, the Bond Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Subject to any applicable escheat law, any money held

by the Bond Trustee for the payment of the principal, Redemption Price or Purchase Price of or interest on any Bond remaining unclaimed for three years after the principal or Purchase Price of all Bonds has become due and payable, whether at maturity or proceedings for redemption or tender for purchase or by declaration as provided herein, shall then be paid to the Borrower and the Holders of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Borrower for payment thereof and all liability of the Bond Trustee and the Authority with respect to such moneys shall thereupon cease.

Section 10.05. Reserved.

Section 10.06. Reserved.

Section 10.07. Survival. Notwithstanding the payment in full of the Bonds, the discharge of this Bond Indenture, and the termination or expiration of the Loan Agreement and the Master Note, all provisions in this Bond Indenture concerning (a) the tax-exempt status of the Series 2024B-1 Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this Bond Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the indemnity of the Authority Indemnified Parties from liability, and (g) the lack of pecuniary liability of the Authority and the Commonwealth, shall survive and remain in full force and effect.

ARTICLE XI MISCELLANEOUS

Section 11.01. Limitation of Authority's Liability. With respect to the Bonds, notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of the Bonds, this Bond Indenture or the Loan Agreement shall be construed so as to give rise to any liability of the Commonwealth or any political subdivision thereof, or the Authority, or give rise to a charge upon the general credit of the Commonwealth or any political subdivision thereof, or the Authority, and the Authority shall not be obligated to pay the principal (or Redemption Price or Purchase Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Bond Trustee pursuant to the Loan Agreement and the Master Note. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Master Note, the Bonds or this Bond Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement or from the Members under the Master Note. All such liability, if any, is expressly waived and released by the Holders of the Bonds by the acceptance of the Bonds. There shall be no other recourse under the Bonds, this Bond Indenture, the Loan Agreement or otherwise against the Authority or against any board member, officer, employee or agent, past, present or future, or any other property now or hereafter owned by it or any of them and, upon entry of any judgment, the judgment creditor or creditors shall request the Prothonotary (or any successor official) to mark the judgment index accordingly. THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THIS INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE

PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL OR INTEREST. THE AUTHORITY HAS NO TAXING POWER. The issuance of the Bonds under the provisions of the Act or this Bond Indenture do not, directly or indirectly, or contingently, obligate the Commonwealth or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. The Commonwealth shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or its taxing power. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Holders of the Bonds or the Borrower, if a default shall occur hereunder or under the Loan Agreement.

Notwithstanding anything to the contrary contained herein or in the Loan Agreement or the Bonds or any document relating to the foregoing, the Authority shall have no liability, legal, moral or otherwise, and does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance, or any other payments recited herein, except from the Revenues and other moneys and assets received by the Bond Trustee pursuant to the Loan Agreement and the Master Note, to any Owner of the Bonds, the Bond Trustee, any underwriter for the Project, the Bonds, or the Borrower in connection with the Bonds, the Bond Indenture, the Loan Agreement or any other document executed or used in connection herewith or therewith, including, without limitation, any liability or loss resulting from or suffered upon (a) the occurrence of any default under the foregoing documents or the security instruments referred to therein, (b) any diminution in the value of the Revenues or any collateral given to secure the Bonds, (c) any failure to perfect a lien or security interest in or against the Revenues or any collateral given to secure the Bonds, (d) any misrepresentation of the Authority, (e) the inaccuracy of or failure to complete any information or document submitted by the Authority to the Internal Revenue Service, (f) the failure of the Authority to comply with any requirements of the Code (including, without limitation, any registration requirements relating to the Bonds, any requirements under Section 148 of the Code, including any rebate requirements imposed on the Authority, or if the weighted average maturity of the Bonds exceeds 120% of the weighted average of the reasonably expected economic life of the facilities to be financed or refinanced with the proceeds of the Bonds within the meaning of Section 147(b) of the Code), or (g) any other cause, matter, or thing whatsoever.

No recourse shall be had for any claim based on any of the Loan Agreement, this Bond Indenture, the Bonds or any document delivered with respect to any of the Loan Agreement, this Bond Indenture or the Bonds against any elected official of the Commonwealth, against any officer or against any member, officer, agent, representative, or employee, past, present or future, of the Authority, or any successor bodies of the foregoing entities, either directly or indirectly, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty

or otherwise. The Bond Trustee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower to the Bond Trustee pursuant to the Loan Agreement and by the Members under the Master Note, together with investment income on certain funds and accounts held by the Bond Trustee under this Bond Indenture, and hereby agrees that if the payments to be made under the Loan Agreement and under the Master Note shall ever prove insufficient to pay all principal (or Redemption Price or Purchase Price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, tender, acceleration or otherwise), then the Bond Trustee shall give notice to the Borrower in accordance with Section 6.05 of the Loan Agreement to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price or Purchase Price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Master Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Bond Trustee, the Master Trustee, the Borrower, the Authority or any such third party, as the case may be, therefor.

Whether or not therein expressly so provided, every provision of the Loan Agreement relating to the conduct or affecting the liability of the Authority shall be subject to the provisions of this Section.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND INTEREST, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THIS BOND INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

No breach by the Authority of any such pledge, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or its taxing power.

Section 11.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Bond Indenture either the Authority or the Bond Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Bond Indenture contained by or on behalf of the Authority or the Bond Trustee

shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties, the Borrower, Liquidity Facility Provider, Credit Facility Provider, Direct Purchaser and Bondholders. Nothing in this Bond Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Bond Trustee, the Borrower, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Bond Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Bond Trustee, the Borrower, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of the Bonds. The Borrower, Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Direct Purchaser, if any, shall be third-party beneficiaries hereof.

Section 11.04. Waiver of Notice. Whenever in this Bond Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.05. Destruction of Bonds. Whenever in this Bond Indenture provision is made for the cancellation by the Bond Trustee and the delivery to the Authority of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds and, if requested, deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Bond Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Indenture, and this Bond Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Bond Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Bond Indenture may be held illegal, invalid or unenforceable, except that that Authority would not have entered into this Bond Indenture without all of the limitations to its obligations described therein.

Section 11.07. Notices. Notwithstanding anything herein to the contrary, with respect to Bonds registered in a Securities Depository, whenever a mailing, notice or other communication to Bondholders is required under this Bond Indenture, the Bond Trustee may provide all such notices and communications to the Securities Depository in accordance with the generally accepted procedures of the Securities Depository, which may be via Electronic Notice.

Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same

are: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the Authority:

Pennsylvania Higher Educational Facilities Authority
400 North Street, FL 6
Harrisburg, Pennsylvania 17120
Attention: Executive Director

To the Borrower:

Thomas Jefferson University
1101 Market Street
Capital Management, 20th Floor
Philadelphia, Pennsylvania 19107
Attention: SVP Finance, Chief Investment Officer and Treasurer

To the Bond Trustee or the Master Trustee:

The Bank of New York Mellon Trust Company, N.A.
1735 Market St., 9th Floor
Philadelphia, Pennsylvania 19103
Attention: Corporate Trust

(or in each case at such other or additional addresses as may have been filed in writing with the Bond Trustee). Any notice required to be sent to a Liquidity Facility Provider or Credit Facility Provider shall be sent to the address indicated therefor in the applicable Liquidity Facility or Credit Facility Agreement. Any notice required to be sent to the Direct Purchaser shall be sent to the address indicated therefor in the applicable Bondholder Agreement.

The Bond Trustee shall provide written notice to each Rating Agency which maintains a rating on the Bonds of the occurrence of any of the following events of which a Responsible Officer of the Bond Trustee has actual knowledge: (i) any change in the Bond Trustee or Remarketing Agent; (ii) any amendments to this Bond Indenture, the Loan Agreement, the Master Indenture, the Liquidity Facility, the Credit Facility or the Credit Facility Agreement; (iii) the expiration, termination, extension or substitution of any Liquidity Facility or Credit Facility; (iv) the acceleration, optional redemption, defeasance or mandatory tender of the Bonds; or (v) any Conversion of the Interest Rate Mode with respect to all or a portion of the Bonds. Any notice given pursuant to this paragraph to S&P Global Ratings shall be sent to 55 Water Street, New York, New York 10041, Attention: Municipal Structured Group, E-mail address: pubfin_structured@spglobal.com. Any notice given pursuant to this paragraph to Moody's shall be sent to 7 World Trade Center at 250 Greenwich Street, 23rd Floor New York, New York 10007, Attention: Municipal Structured Finance Group, E-mail address: MSPGSSurveillance@moodys.com. In addition, the Bond Trustee shall provide such Rating Agencies with any other information in the Bond Trustee's possession concerning the Bonds, this

Bond Indenture or the Loan Agreement that such Rating Agencies may reasonably require in order to maintain the rating on the Bonds. The Bond Trustee shall incur no liability for failure to give any such notices required to be provided to a Rating Agency under the terms hereof and the obligation to provide any such written notices is conditioned upon the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds.

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

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

The ownership of Bonds shall be proved by the Registration Books.

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

Section 11.09. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Indenture, Bonds which are owned or held by or for the account of the Authority, the Borrower, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Borrower or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that in determining whether the Bond Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which a Responsible Officer of the Bond Trustee actually knows to be owned or held by or for the account of the Authority or the Borrower, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower or any other obligor on the Bonds, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Borrower or any other obligor on

the Bonds. In case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel shall be full protection to the Bond Trustee. Upon request of the Bond Trustee, the Authority and the Borrower shall specify in a certificate to the Bond Trustee those Bonds disqualified pursuant to this Section and the Bond Trustee may conclusively rely on any such certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

Section 11.11. Funds and Accounts. Any fund required by this Bond Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable and for the protection of the security of the Bonds and the rights of every Holder thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of any principal (or Redemption Price or Purchase Price) of or interest on the Bonds or any sum hereunder or be subject to any personal liability or accountability by reason of the issuance of the Bonds or the execution and delivery of this Bond Indenture; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Bond Indenture.

Section 11.13. Business Days. If any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

Section 11.14. Governing Law. This Bond Indenture and the Bonds shall be construed in accordance with and governed by the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth.

Section 11.15. Execution in Several Counterparts. This Bond Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Bond Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.16. Reference to Credit Facility Provider or Liquidity Facility Provider Ineffective. Anything contained in this Bond Indenture, the Loan Agreement or in the Bonds to the contrary notwithstanding, the existence of all rights given to the Liquidity Facility Provider or the Credit Facility Provider with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the payment of

properly presented and conforming draws under the Liquidity Facility or the Credit Facility, as the case may be. Any such rights shall not apply at any time there are no Bonds Outstanding or the Liquidity Facility Provider or the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Liquidity Facility or the Credit Facility; the Liquidity Facility Provider or the Credit Facility Provider has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree has been entered appointing a receiver, receivers, custodian or custodians for any of its assets or revenues, or any proceeding shall be instituted with the consent or acquiescence of the Liquidity Facility Provider or the Credit Facility Provider or any plan shall be entered into by the Liquidity Facility Provider or the Credit Facility Provider for the purpose of effecting a composition between the Liquidity Facility Provider or the Credit Facility Provider, as the case may be, and its creditors or for the purpose of adjusting the claims of such creditors, the Liquidity Facility Provider or the Credit Facility Provider makes any assignment for the benefit of its creditors or the Liquidity Facility Provider or the Credit Facility Provider is generally not paying its debts as such debts become due, the Liquidity Facility Provider or the Credit Facility Provider files a petition in bankruptcy under Title 11 of the United States Code, as amended or the Liquidity Facility or the Credit Facility has been determined to be void or unenforceable by final judgment of a court of competent jurisdiction; provided that this Section 11.16 shall not in any way limit or affect the rights of the Credit Facility Provider or the Liquidity Facility Provider as a Bondholder, as subrogee of a Bondholder or as assignee of a Bondholder, any Reimbursement Obligations or to otherwise be reimbursed and indemnified for its costs and expenses and other payments on or in connection with the Bonds, the Credit Facility or the Liquidity Facility, either by contract or operation of law.

Section 11.17. Entire Agreement. This Bond Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Authority has caused this Series 2024B-1 Trust Indenture to be signed in its name and on its behalf by its Executive Director and the Bond Trustee has caused this Series 2024B-1 Trust Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

**PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY**

By: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Bond Trustee**

By: _____
It's: Authorized Signatory

EXHIBIT A
Form of Bond

[TRANSFER RESTRICTED]

[THIS BOND IS SUBJECT TO THE TRANSFER RESTRICTIONS SET FORTH IN
SECTION 2.17 OF THE BOND INDENTURE]

UNITED STATES OF AMERICA
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
THOMAS JEFFERSON UNIVERSITY FIXED RATE REVENUE BONDS
SERIES 2024B-1

RB-[] \$ _____

**INTEREST RATE AND
MODE**

Fixed Rate Mode ([]%) September 1, 20[]

MATURITY DATE

DATED DATE

CUSIP

PRINCIPAL SUM: [] Dollars

REGISTERED HOLDER: CEDE & CO.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND INTEREST, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE BOND INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

FOR VALUE RECEIVED, PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the "Authority"), a public instrumentality of the Commonwealth of Pennsylvania organized and existing under the laws of the Commonwealth of Pennsylvania and duly existing under the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, for value received, promises to pay to the registered owner named above, or registered assigns, but solely from the funds available under the Bond Indenture (defined herein), amounts payable under the

Loan Agreement (defined herein) and payments on the Master Note (defined herein), which amounts and payments are pledged and assigned for the benefit and payment hereof pursuant to the Bond Indenture and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest on such principal sum from the date hereof at the rates and at the times set forth in the Bond Indenture. Payment of principal or Redemption Price of this Bond shall be made upon the presentation and surrender hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., or its successor or successors, as bond trustee (the "Bond Trustee") by check, or at the written request of the Registered Owner of at least one million dollars (\$1,000,000) in principal amount of Bonds furnished to the Bond Trustee at least five (5) days prior to the maturity or redemption date, by wire transfer to a wire transfer address within the continental United States. Interest shall be payable by check, or at the written request of the Registered Owner of at least one million dollars (\$1,000,000) in principal amount of Bonds furnished to the Bond Trustee on or prior to the Regular Record Date, by wire transfer to a wire transfer address within the continental United States or as otherwise set forth in the Bond Indenture with respect to Bonds in the Fixed Mode. Interest is payable to the Registered Owners whose names appear on the registration books of the Authority as of the Regular Record Date for such interest payment, which shall be the close of business on the fifteenth day (whether or not a Business Day) of the calendar month preceding the Interest Payment Date. The principal, Redemption Price or Purchase Price of, and the interest on, this Bond are payable 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. Unless otherwise indicated herein, capitalized terms not otherwise defined herein shall have the meaning specified in the Bond Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated "Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1" (the "Bonds") and issued under a Series 2024B-1 Trust Indenture dated as of November 1, 2024 (as from time to time amended or supplemented in accordance with the terms thereof, the "Bond Indenture"), between the Authority and the Bond Trustee. The proceeds of the Bonds will be loaned to Thomas Jefferson University, a Pennsylvania nonprofit corporation (together with its permitted successors and assigns, the "Borrower"), which funds will be used for the purposes described in the Bond Indenture.

Said loan by the Authority to the Borrower of the proceeds of the Bonds will be made under and secured as described in a Series 2024B-1 Loan Agreement, dated as of November 1, 2024 (as from time to time amended or supplemented in accordance with the terms thereof, the "Loan Agreement"), between the Authority and the Borrower. The terms of the Loan Agreement will require payments by the Borrower which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal, Redemption Price or Purchase Price of, and interest on, the Bonds. The Bonds will be secured by, among other things, a promissory note issued in the principal amount of \$[] (the "Master Note") pursuant to an Amended and Restated Master Trust Indenture (Security Agreement) dated as of February 1, 2022, by and among the Members of the Obligated Group and The Bank of New York Mellon Trust Company, N.A., as master trustee thereunder, as previously amended and supplemented and as it may hereafter be supplemented or modified from time to time and as amended and supplemented by a Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement) dated as of November 1, 2024 (collectively, the "Master Indenture").

The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Indenture, pursuant to which Bond Indenture, the Gross Revenues and the Master Note are pledged and assigned and all of the right, title and interest of the Authority in and to the Loan Agreement (excluding rights to receive any Administrative Fees and Expenses to the extent payable to the Authority and Unassigned Rights) are assigned by the Authority to the Bond Trustee as security for the Bonds.

Reference is made to the Bond Indenture, the Master Indenture and to the Loan Agreement and to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Bond Trustee and the Master Trustee and the rights of the owners of the Bonds, and to all the provisions of which the owner hereof, by the acceptance of this Bond assents.

This Bond is registered on the Registration Books of the Bond Trustee and may be transferred by the registered owner hereof but only in the manner, subject to the limitations and upon the payment of the charges provided in the Bond Indenture.

This Bond may be transferred or exchanged only upon the Registration Books maintained by the Bond Trustee as provided in the Bond Indenture. Upon surrender for transfer or exchange of any Bond at the Corporate Trust Office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity of any Authorized Denominations and of a like aggregate principal amount. The Person in whose name this Bond is registered on the Registration Books shall be deemed and regarded as the absolute Owner hereof for all purposes, except as otherwise provided in the Bond Indenture when a book-entry system is in effect for the Bonds, and payment of or on account of the principal, Redemption Price or Purchase Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner hereof or his legal representative, but such registration may be changed as provided in the Bond Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

The Bonds are subject to redemption as provided in the Bond Indenture.

The initial Interest Rate Mode applicable to this Bond is identified above. This Bond may be converted to another Interest Rate Mode, subject to the terms and conditions of the Bond Indenture. The method of determining interest in each Interest Rate Mode is described in the Bond Indenture.

Except as otherwise provided in Section 7.14 of the Bond Indenture during the Direct Purchase Mode, the owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

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

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Bond Indenture precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by resolution of the Authority duly adopted.

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

IN WITNESS WHEREOF, Pennsylvania Higher Educational Facilities Authority has caused this Bond to be executed in its name by the facsimile signature of its President and attested by the facsimile signature of its Secretary.

PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY

By: _____
(Assistant) Secretary

By: _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Bond Indenture. Attached hereto is a copy of the approving opinion of Ballard Spahr LLP, Philadelphia, Pennsylvania, Andre C. Dasent, P.C., Philadelphia, Pennsylvania and John A. Schwab, Pittsburgh, Pennsylvania, a signed original of which are on file with the undersigned which were dated the date of the original delivery of and payment for the Bonds.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Bond Trustee

By: _____
Authorized Signature

Date of Authentication:

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the said Bond on the Registration Books thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

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

EXHIBIT B
Terms of the Bonds

Aggregate Principal Amount: \$[_____]

Series Issue Date: [____], 2024

Interest Payments Dates: Each March 1 and September 1, commencing March 1, 2025.

Maturities, Interest Rates, Yields, Prices and CUSIP Identification Numbers:

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.</u>
	\$	%	%		

\$[____] – [____]% Term Bond, Due September 1, 20[____], Yield [____]%, Price [____] CUSIP No.*[____]

\$[____] – [____]% Term Bond, Due September 1, 20[____], Yield [____]%, Price [____] CUSIP No.† [____]

Redemption Provisions

(a) Extraordinary Optional Redemption. The Series 2024B-1 Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of the Borrower, on any Interest Payment Date, in the event a substantial portion of the Borrower’s facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Series 2024B-1 Bonds to be so redeemed, plus accrued interest thereon to the redemption date, but only with Eligible Moneys at any time at which there is a Credit Facility that is a direct-pay letter of credit in effect with respect to such Bonds.

(c) Sinking Fund Redemption. The Series 2024B-1 Bonds maturing on September 1, 20[] and September 1, 20[] are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts and on the following dates at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

Sinking Fund Installment/Maturity Date (September 1)	Sinking Fund Installment
*	
* Maturity Date.	

C-76

By: _____
Authorized Representative

B-1

SERIES 2024B-2 TRUST INDENTURE	
	between
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY	as Authority
	and
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	as Trustee
Dated as of December 1, 2024	
	relating to
	\$[]
Pennsylvania Higher Educational Facilities Authority	
Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2	

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SERIES 2024B-2 TRUST INDENTURE

THIS SERIES 2024B-2 TRUST INDENTURE (as from time to time amended or supplemented in accordance with the terms hereof, this “Bond Indenture”), dated as of December 1, 2024 is between PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) and a public body corporate and politic organized and existing under the laws of the Commonwealth, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America and being qualified to accept and administer the trusts hereby created (together with any successors, the “Bond Trustee”).

WITNESSETH:

WHEREAS, the Authority is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth, created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”) for the purposes of, inter alia, acquiring, constructing, improving, maintaining, operating and financing higher educational facilities; and

WHEREAS, Thomas Jefferson University (“TJU”) is a nonprofit corporation organized under the laws of the Commonwealth; and

WHEREAS, the Authority has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a “college”, with the rights and powers, inter alia, (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, and (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act; and

WHEREAS, the Authority has deemed TJU to be a “college” within the meaning of the Act; and

WHEREAS, the Authority, at the request of and on behalf of TJU, and certain of its affiliates, has determined to issue its \$[] aggregate principal amount Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2 (the “Series 2024B-2 Bonds” or “Bonds”) pursuant to this Bond Indenture; and

WHEREAS, at the request of TJU, the Authority has undertaken a project (the “Project”) consisting of:

(a) the current refunding of all or a portion of the Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2015A issued in the original aggregate principal amount of \$301,805,000 previously issued for the benefit of TJU (the “TJU 2015A Bonds” or “Refunded Bonds”);

(b) [the payment of the costs associated with credit enhancement, if any]; and

(c) the payment of issuance costs and expenses incident to the financing; and

WHEREAS, the Authority has designated the Project as a “project” under the Act, and has undertaken, at the request of TJU, the financing of a portion of the costs of the Project pursuant to a Series 2024B-2 Loan Agreement dated as of December 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan Agreement”), between the Authority and TJU (in such capacity, the “Borrower”); and

WHEREAS, as further security for the Bonds, TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee a master note under the Master Indenture (as defined herein) in an aggregate principal amount equal to \$[] (the “Master Note”); and

WHEREAS, in order to provide for the issuance, authentication and delivery of the Bonds from time to time, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, Redemption Price and Purchase Price thereof and interest thereon, the Authority has authorized the execution and delivery of this Bond Indenture; and

WHEREAS, the Bonds and the Bond Trustee’s certificate of authentication to appear thereon, and assignment to appear thereon, shall be in substantially the form set forth in Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Bond Indenture; and

WHEREAS, the Series 2024B-2 Bonds will initially be issued in the Fixed Mode for the Initial Fixed Period subject to the terms and conditions hereof and of the Fourth Supplement (as defined herein); and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal special limited obligations of the Authority, and to constitute this Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Bond Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS BOND INDENTURE WITNESSETH, that in order to secure the payment of the principal, Purchase Price and Redemption Price of and interest on all Bonds at any time issued and outstanding under this Bond Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Bond Trustee, for the benefit of the Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions.

Except as hereinafter provided, the terms used in this Bond Indenture shall have the same meanings as set forth in the Master Indenture. In addition to the words and terms defined in the Master Indenture or elsewhere in this Bond Indenture, the following words and terms as used in this Bond Indenture or the Loan Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Act” has the meaning set forth in the recitals hereto.

“Additional Funding Amount” has the meaning ascribed thereto in Section 4.10(d)(ii) hereof.

“Additional Payments” means the payments so designated and required to be made by the Borrower pursuant to Section 4.02 of the Loan Agreement.

“Administrative Fees and Expenses” means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Bond Trustee.

“Agency Obligations” means obligations of (a) Federal Home Loan Mortgage Corp., (b) Farm Credit System, (c) Federal Home Loan Banks, (d) Federal National Mortgage Association, (e) Student Loan Marketing Association, (f) Financing Corp., (g) Resolution Funding Corp. (as to interest only), (h) U.S. Maritime Administration, (i) U.S. Department of Housing, and (j) General Services Administration.

“Alternate Credit Facility” means a Credit Facility issued to replace an existing Credit Facility in accordance with Section 4.20 hereof; provided, however, that any amendment, extension, renewal or substitution of the Credit Facility then in effect for the purpose of extending the Expiration Date of such Credit Facility or modifying such Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this Bond Indenture.

“Alternate Liquidity Facility” means a Liquidity Facility issued to replace an existing Liquidity Facility in accordance with Section 4.19 hereof and any amendment or assignment of a Liquidity Facility which results in a change in the Liquidity Facility Provider; provided, however, that any amendment or extension of the Liquidity Facility for the purpose of extending the Expiration Date of such Liquidity Facility or modifying such Liquidity Facility shall not constitute an Alternate Liquidity Facility for purposes of this Bond Indenture, unless such modification makes any material change to the immediate termination events or suspension events of such Liquidity Facility.

“Applicable Factor” means during any Direct Purchase Period, a percentage designated by the Market Agent (which shall be a percentage between 65.1% and 135%), or, with a Favorable Opinion of Bond Counsel, such other percentage as may be designated as the Applicable Factor

for such Direct Purchase Period pursuant to Section 2.13 hereof; provided, however, that the Applicable Factor shall not be applicable to the SIFMA Index.

“Applicable Spread” means, with respect to each Direct Purchase Period, the number of basis points determined on or before the first day of such Direct Purchase Period and designated in writing by the Borrower, the Market Agent or the Direct Purchaser in accordance with Section 2.13 hereof (which may include a schedule for the Applicable Spread based upon the ratings assigned to the unenhanced, long term debt of the Obligated Group) that, when added to the product of (x) the Direct Purchase Index multiplied by (y) the Applicable Factor, would equal the minimum interest rate per annum that would enable the Direct Purchase Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

“Authority” has the meaning attributed to it in the initial paragraph of this Bond Indenture.

“Authorized Denominations” means with respect to any (a) Long Term Period, FRN Period or Fixed Period, including the Initial Fixed Period, \$5,000 and any integral multiple thereof; (b) Direct Purchase Period, either \$5,000 and any integral multiple in excess thereof, or \$250,000 and any integral multiple of \$5,000 in excess of \$250,000, in all such denominations as may be directed by the Direct Purchaser; and (c) Short Term Period, Two Day Period, VRO Interest Rate Period, Window Period, Weekly Period, Daily Period or Flexible Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000.

“Authority Indemnified Parties” means, individually and collectively, the Authority, and each of their past, present, and future directors, members, officers, employees, counsel, advisors, contractors, consultants and agents, individually and collectively.

“Authorized Representative” means, (a) with respect to the Authority, the President, the Vice President or Secretary, or any other person at the time designated to act on behalf of the Authority by written certificate furnished to the Bond Trustee and signed on behalf of the Authority by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document, and (b) with respect to the Borrower, its chief executive officer, president, chief financial officer, chief legal officer, secretary, assistant secretary, treasurer, SVP Finance, Chief Investment Officer and Treasurer or any other person designated as an Authorized Representative of the Borrower by a Certificate of the Borrower signed by its chief executive officer, president, or chief financial officer and filed with the Bond Trustee.

“Bank Bonds” means any Credit Facility Bonds or Liquidity Facility Bonds.

“Beneficial Owner” means any Person which (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including any Person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Bond Counsel” or “Co-Bond Counsel” means counsel appointed by the Office of General Counsel at the request of the Borrower of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Indenture” means this Series 2024B-2 Trust Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Bond Indenture or otherwise in accordance with the terms hereof.

“Bond Purchase Agreement” means that certain Bond Purchase Agreement dated [____], 2024, among the Authority, the Borrower and J.P. Morgan Securities LLC, as representative of itself and the other underwriters identified therein.

“Bond Purchase Fund” means the fund by that name established pursuant to Section 4.10(a)(i) of this Bond Indenture.

“Bond Sinking Fund” means the fund by that name established pursuant to Section 5.05 of this Bond Indenture.

“Bond Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and, subject to the limitations contained in Section 8.01, any successor or successors to said trustee in the trusts created hereunder.

“Bonds” or “Series 2024B-2 Bonds” has the meaning set forth in the recitals hereto.

“Bondholder Agreement” means during a Direct Purchase Period, any continuing covenant agreement, bondholder agreement or similar agreement between the Borrower and a Direct Purchaser.

“Borrower” means Thomas Jefferson University, a nonprofit corporation organized under the law of the Commonwealth, or any corporation that is the surviving, resulting, or transferee corporation in any merger, consolidation or transfer of all or substantially all assets permitted under the Master Indenture.

“Borrower Documents” means the Master Note, the Master Indenture, the Loan Agreement, the Continuing Disclosure Agreement and the Bond Purchase Agreement.

“Borrower Elective Purchase Date” means the date designated by the Borrower for the purchase of Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds pursuant to Section 4.07(g) of this Bond Indenture.

“Borrower Purchase Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Business Day” means any day on which banks located in the city in which draws on any Credit Facility or Liquidity Facility are to be presented, the city in which the Corporate Trust

Office of the Bond Trustee is located, the city where the office of the Remarketing Agent is located or, with respect to Bonds in the Direct Purchase Mode, the FRN Mode or the Window Mode, the city in which the Calculation Agent is located, are not required or authorized to be closed and on which The New York Stock Exchange or the Federal Reserve Bank is open.

“Calculation Agent” means (a) during a Direct Purchase Period, the Direct Purchaser or any affiliate thereof during such Direct Purchase Period, or any Person, financial institution or financial advisory firm appointed by the Borrower, with the consent of the Direct Purchaser to serve as Calculation Agent for the Bonds, and any successor or replacement thereof, and (b) during the FRN Mode or the Window Mode, any Person, financial institution or financial advisory firm appointed by the Borrower prior to a Conversion to any such interest rate mode to serve as Calculation Agent for the Bonds and any successor or replacement thereof.

“Certificate,” “Statement,” “Request” and “Requisition” of the Authority or the Borrower means, respectively, a written certificate, statement, request or requisition signed in the name of the Authority or the Borrower by an Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03 hereof, each such instrument shall include the statements provided for in Section 1.03 hereof.

“Closing Statement” has the meaning set forth in Section 3.02(b) hereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations relating to such section, including temporary and proposed regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

“Combined Group Agent” means TJU, or such other Combined Group Agent designated under the Master Indenture.

“Commonwealth” means the Commonwealth of Pennsylvania.

“Consumer Price Index” or “CPI-U” means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers as released monthly by the U.S. Department of Labor, Bureau of Labor Statistics. If a previously reported CPI-U index rate is revised, the CPI-U will continue to be the previously reported CPI-U for purposes of calculating interest payments. If CPI-U is rebased to a different year during a FRN Interest Rate Period or Direct Purchase Interest Rate Period, Bonds using the CPI-U will continue to use the CPI-U based on the base reference year in effect on the first day of such FRN Interest Rate Period or Direct Purchase Interest Rate Period. If the applicable methodology for computing the CPI-U in effect on the first day of the then-current FRN Interest Rate Period or Direct Purchase Interest Rate Period is discontinued or altered and if the U.S. Treasury, in response to such discontinuance or alteration, substitutes an alternative index, and associated method of application (“*Substitute Index and Methodology*”), for the CPI-U for purposes of calculation of the inflation adjustment for the Treasury Inflation-Protection Securities, Bonds using the CPI-U will use the Substitute Index and Methodology for calculating the FRN Rate or Direct Purchase Rate for such Bonds. Typically,

the CPI-U for a particular month is reported by the last date of the following month. If the CPI-U for a particular month is not reported by the last day of the following month, the U.S. Treasury has indicated it will announce an index number based on the last available twelve-month change in the CPI-U. Any calculations of interest on the Bonds that rely on that month's CPI-U will be based on the index number that the U.S. Treasury has announced. This index number will be used for all subsequent calculations that rely on that month's index number and will not be replaced by the actual CPI-U when it is reported.

"Continuing Disclosure Agreement" means any continuing disclosure agreement or certificate executed by the Borrower with respect to the Bonds and which complies with Securities and Exchange Commission Rule 15c2-12.

"Conversion" means a conversion of all or a portion of the Bonds from one Interest Rate Mode to one or more other Interest Rate Modes in accordance with the terms and provisions of Section 2.15 of this Bond Indenture and shall also include; (a) a conversion from any Direct Purchase Period to the next Direct Purchase Period; (b) a conversion of the FRN Bonds into a new FRN Interest Rate Period; (c) a conversion from one Fixed Period to a new Fixed Period; (d) a conversion from any Short Term Interest Rate Period to a new Short Term Interest Rate Period; (e) a conversion from any Long Term Interest Rate Period to a new Long Term Interest Rate Period; and (f) a conversion from one Flexible Rate Period to a new Flexible Rate Period.

"Conversion Date" means the effective date of a Conversion of the Bonds or a portion of the Bonds.

"Corporate Trust Office" means the office of the Bond Trustee at which its corporate trust business is conducted, which at the date hereof is located at 1735 Market Street, AIM 193-0650, Philadelphia, PA 19103; provided, however, that for purposes of the surrender or presentation of Bonds for payment, transfer or exchange, the Corporate Trust Office shall be the designated corporate trust or operations office of the Bond Trustee.

"Cost" means and shall include, without limiting or restricting any proper definition of such term under the provisions of law, including the Act, all costs of acquisition, construction, renovation and equipping and all obligations and expenses and all items of cost which are permitted to be financed under the Act.

"Credit Facility" means a letter of credit, loan, guarantee, bond insurance policy, or similar credit facility issued by a Credit Facility Provider which, by its terms, shall secure the payment of principal of and interest on the Bonds, and delivered to the Bond Trustee in accordance with Section 5.06 of the Loan Agreement or, in the event of the delivery of an Alternate Credit Facility, such Alternate Credit Facility. A Credit Facility may also serve the function of a Liquidity Facility.

"Credit Facility Account" means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

"Credit Facility Agreement" means any reimbursement or similar agreement pursuant to which a Credit Facility Provider issues or provides a Credit Facility.

"Credit Facility Bonds" means Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Credit Facility, but excluding Bonds no longer considered to be Credit Facility Bonds in accordance with the terms of the applicable Credit Facility.

"Credit Facility Provider" means the commercial bank, bond insurer, or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Facility then in effect.

"Credit Facility Rate" means the rate per annum, if any, specified in a Credit Facility as applicable to Credit Facility Bonds, which shall not exceed the Maximum Interest Rate, subject to the terms of the related Credit Facility.

"Daily Bonds" means Bonds that bear interest at Daily Rates.

"Daily Interest Rate Period" means each day during the Daily Period for which a particular Daily Rate is in effect.

"Daily Mode" means the Interest Rate Mode during which the Bonds are Daily Bonds.

"Daily Period" means the entire period during which Bonds constitute Daily Bonds, which Daily Period shall generally be comprised of multiple Daily Interest Rate Periods, during which Daily Rates are in effect.

"Daily Rate" means the interest rate per annum on Daily Bonds determined on a daily basis as provided in Section 2.04 of this Bond Indenture.

"Daily Simple SOFR" means with respect to any day, the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Date of Issuance" means December __, 2024.

"Default Rate" means, with respect to the Initial Fixed Period, not applicable; and during any other Interest Rate Period, the Default Rate, if any, as defined in the applicable Supplemental Bond Indenture or Bondholder Agreement.

"Defeasance Obligations" means, unless modified by the terms of a particular Supplemental Indenture, (a) noncallable, nonprepayable United States Government Obligations, (b) evidences of ownership of a proportionate interest in specified noncallable, nonprepayable United States Government Obligations, which United States Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (c) Defeased Municipal Obligations, (d) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, (e) noncallable, nonprepayable Agency Obligations, and (f) noncallable, nonprepayable stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by

the U.S. Treasury and the interest-only portion of Resolution Funding Corp. securities is stripped by the Federal Reserve Bank of New York or the U.S. Treasury.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers rated in the highest rating by S&P and Moody’s, provision for the payment of the principal of and interest on which shall have been made or provided for by irrevocable deposit with a trustee or escrow agent of (a) Defeasance Obligations, (b) evidences of ownership of a proportionate interest in Defeasance Obligations, which Defeasance Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, (c) noncallable, non-prepayable Agency Obligations, or (d) noncallable, non-prepayable stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by the U.S. Treasury and the interest-only portion of Resolution Funding Corp. securities is stripped by the Federal Reserve Bank of New York or the U.S. Treasury, the maturing principal of and interest on which when due and payable, without any reinvestment thereof, will provide sufficient money to pay the principal of and interest and any premium on such obligations of state or local government municipal bond issuers, and for which Defeased Municipal Obligations a specific call date has been established or for which the issuer has waived the ability to call such Defeased Municipal Obligations prior to a date certain.

“Determination of Taxability” means if legislation is enacted, final regulations are promulgated, a final ruling or decision is made by a judicial or administrative authority, a written assertion or claim is made by the IRS which is not stayed, or nationally recognized Bond Counsel shall have delivered a written opinion (provided the Borrower shall have had the opportunity to consult with such counsel as to the basis of such opinion and challenge such opinion as appropriate), to the effect that the interest on the Bonds is includable in the gross income of the Holder for federal income tax purposes; or as otherwise defined in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Differential Interest Amount” means, upon remarketing of a Liquidity Facility Bond or a Credit Facility Bond by the Remarketing Agent pursuant to Section 4.13(b), the excess of (a) interest which has accrued at the Liquidity Facility Rate or the Credit Facility Rate, as applicable, up to but excluding the remarketing date of the Bond, over (b) the interest accrued on such Bond which is received by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, from the Remarketing Agent as part of the Purchase Price.

“Direct Purchase Bonds” means Bonds that bear interest at a Direct Purchase Rate, and any Unremarketed Bonds, if any.

“Direct Purchase Index” means during any Direct Purchase Period, Daily Simple SOFR, Term SOFR, the SIFMA Index, the Consumer Price Index or, with a Favorable Opinion of Bond Counsel, such other index as may be designated by the Market Agent as the Direct Purchase Index for such Direct Purchase Period pursuant to Section 2.13 hereof.

“Direct Purchase Interest Rate Period” means each period during the Direct Purchase Period for which a particular Direct Purchase Rate is in effect.

“Direct Purchase Mode” means the Interest Rate Mode during which the Bonds bear interest at the Direct Purchase Rate and during which any Unremarketed Bonds, if any, remain Outstanding.

“Direct Purchase Period” means the entire period during which Bonds constitute Direct Purchase Bonds, which Direct Purchase Period shall generally be comprised of multiple Direct Purchase Interest Rate Periods, during which Direct Purchase Rates are in effect. A Direct Purchase Period shall also include any period during which any Unremarketed Bonds remain Outstanding.

“Direct Purchase Period Earliest Redemption Date” means during any Direct Purchase Period, the date or dates on which Direct Purchase Bonds are subject to optional redemption during the applicable Direct Purchase Period, as established by the Borrower, the Market Agent or the Direct Purchaser and as set forth in the applicable Bondholder Agreement or in Section 2.13 hereof.

“Direct Purchase Rate” means the interest rate per annum on Direct Purchase Bonds determined on a periodic basis as provided in Section 2.13 of this Bond Indenture.

“Direct Purchase Rate Determination Date” means during any Direct Purchase Period, such date established as such by the Borrower, the Market Agent or the Direct Purchaser as set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Direct Purchase Rate Mandatory Purchase Date” means the first day following the last day of each Direct Purchase Period, or any other date established as such in a Supplemental Bond Indenture or Bondholder Agreement.

“Direct Purchaser” means, during any Direct Purchase Period, the Holder of the Direct Purchase Bonds, if there is a single Holder of all of the Direct Purchase Bonds and provided, however, that the Bonds are not then held under the book-entry system. If there is more than one Holder of the Direct Purchase Bonds, “Direct Purchaser” means the Holder owning a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or if no Holder owns such majority, then the Holder holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding. If the Direct Purchase Bonds are then held under the book-entry system, “Direct Purchaser” means the Beneficial Owner of the Direct Purchase Bonds, if there is a single Beneficial Owner of all of the Direct Purchase Bonds. If there is more than one Beneficial Owner of the Direct Purchase Bonds, “Direct Purchaser” means the Beneficial Owner who is the Beneficial Owner of a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or if no Beneficial Owner owns such majority, then the Beneficial Owner holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding.

“DTC” means The Depository Trust Company.

“Electronic Means” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

“Electronic Notice” means a notice transmitted through Electronic Means.

“Eligible Bonds” means any Bonds bearing interest at a Daily Rate or a Weekly Rate other than Liquidity Facility Bonds, Credit Facility Bonds or Bonds owned by, for the account of, or on behalf of, the Authority or the Borrower.

“Eligible Moneys” means:

(a) Bond proceeds deposited with the Bond Trustee contemporaneously with the issuance and sale of the Bonds and which are continuously thereafter held subject to the lien of this Bond Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which are not Eligible Moneys are at any time held;

(b) moneys (i) paid or deposited by the Borrower to or with the Bond Trustee, (ii) held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held and (iii) which have so been on deposit with the Bond Trustee for at least 124 consecutive days from their receipt by the Bond Trustee if the Borrower is the sole Member of the Obligated Group or at least 367 consecutive days from their receipt by the Bond Trustee if there is more than one Member of the Obligated Group, or if such funds are provided by an Insider (within the meaning of Title 11 of the United States Bankruptcy Code), with respect to the Borrower, during and prior to which period no petition by or against the Authority, the Borrower or any such Insider under any bankruptcy or similar law now or hereafter in effect shall have been filed and no bankruptcy or similar proceeding otherwise initiated (unless such petition or proceeding shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys;

(c) moneys received by the Bond Trustee from any payment under a Credit Facility or a Liquidity Facility which are held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held, together with investment earnings on such moneys;

(d) proceeds from the remarketing of any Bonds pursuant to the provisions of this Bond Indenture to any person other than the Authority, the Borrower, or any Insider;

(e) proceeds from the issuance and sale of refunding bonds, together with the investment earnings on such proceeds, if there is delivered to the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) at the time of issuance and sale of such refunding bonds an opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Bond is an Insider) to the effect that the use of such proceeds and investment earnings to pay the principal or Redemption Price of or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Authority or the Borrower become a debtor in a proceeding commenced thereunder; and

(f) moneys which are derived from any source, including without limitation moneys from the Borrower, together with the investment earnings on such moneys, if the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) has received an unqualified opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Bonds is an Insider) to the effect that payment of such amounts to a holder of a Bond would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Authority or the Borrower become a debtor in a proceeding commenced thereunder;

provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment. For the purposes of this definition, the term “moneys” shall include cash and any Qualified Investments.

“EMMA” means the Electronic Municipal Market Access internet website maintained by the Municipal Securities Rulemaking Board, or any successor designated by the Municipal Securities Rulemaking Board.

“Event of Default” means any of the events specified in Section 7.01.

“Event of Taxability” means any act, omission or event that results in the interest paid or payable on any Bond being includable for federal income tax purposes in the gross income of any owner.

“Expenses Account” means the Expenses Account in the Project Fund created by Section 5.02 of this Trust Indenture.

“Expiration Date” means (i) the date upon which a Liquidity Facility or Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date by virtue of extensions of a particular Liquidity Facility or Credit Facility, from time to time) in accordance with its terms, including without limitation termination upon delivery of an Alternate Liquidity Facility or an Alternate Credit Facility to the Bond Trustee and (ii) the date upon which a Liquidity Facility Agreement terminates following voluntary termination by the Borrower pursuant to Section 5.06 of the Loan Agreement and the terms of the related Liquidity Facility or Credit Facility.

“Favorable Opinion of Bond Counsel” means an opinion of Co-Bond Counsel, addressed to the Authority, the Remarketing Agent, if any, the Direct Purchaser, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Borrower and the Bond Trustee, to the effect that the action proposed to be taken is authorized or permitted or not prohibited by or in contravention of this Bond Indenture and will not, in and of itself, result in the inclusion of interest on the Series 2024B-2 Bonds in gross income of the Holders thereof for federal income tax purposes.

“Final Bond Resolution” means the Resolution adopted by the Authority on September 19, 2024, authorizing the issuance, delivery and sale of the Bonds.

“Fitch” means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Fixed Bonds” means Bonds that bear interest at Fixed Rates.

“Fixed Mode” means the Interest Rate Mode during which the Bonds bear interest at a Fixed Rate or Fixed Rates to their Maturity Date.

“Fixed Period” means the period to the Maturity Date during which Bonds constitute Fixed Bonds.

“Fixed Rate” means the per annum interest rate on a Bond in the Fixed Mode determined for such Bond pursuant to Section 2.14 hereof.

“Fixed Rate Conversion Date” means the effective date of a Conversion of the Bonds or a portion of the Bonds into a Fixed Period or from one Fixed Period to a new Fixed Period or another Interest Rate Period pursuant to the provisions of Section 2.15 hereof.

“Flexible Mode” means the Interest Rate Mode during which the Bonds bear interest at the Flexible Rate.

“Flexible Rate” means the per annum interest rate on a Bond in the Flexible Mode determined for such Bond pursuant to Section 2.09 hereof. The Bonds in the Flexible Mode may bear interest at different Flexible Rates.

“Flexible Rate Bond” means a Bond in the Flexible Mode.

“Flexible Rate Determination Date” means the first day of each Flexible Rate Period.

“Flexible Rate Period” means the period from one to 270 calendar days (which period must end on a day preceding a Business Day) during which a Flexible Rate Bond shall bear interest at a Flexible Rate, as established pursuant to Section 2.09 hereof. The Bonds in the Flexible Mode may be in different Flexible Rate Periods.

“Fourth Supplement” means that certain Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement) dated as of December 1, 2024, between TJU, on behalf of itself and as Combined Group Agent, and the Master Trustee, and pursuant to which the Obligated Group issued the Master Note securing the Bonds.

“FRN Bonds” means Bonds that bear interest at FRN Rates.

“FRN Index” means the SIFMA Index, Daily Simple SOFR, Term SOFR or such other index as the Remarketing Agent shall select in consultation with the Borrower not less than five Business Days prior to the FRN Rate Conversion Date as an index, which in the opinion of

nationally recognized tax counsel, is reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds or inflation, as applicable.

“FRN Index Percentage” means the percentage determined by the Borrower, in consultation with the Remarketing Agent, pursuant to Section 2.10(a) with respect to the determination of the FRN Rate.

“FRN Interest Rate Period” means each period during the FRN Period during which FRN Rates are in effect, as described in Section 2.10(a) of this Bond Indenture.

“FRN Mode” means the Interest Rate Mode during which the Bonds bear interest at FRN Rates.

“FRN Period” means the entire period during which Bonds constitute FRN Bonds, which FRN Period shall generally be comprised of multiple FRN Interest Rate Periods, during which FRN Rates are in effect.

“FRN Rate” means, with respect to the FRN Bonds in a particular FRN Interest Rate Period, the interest rate per annum on FRN Bonds during such FRN Interest Rate Period determined on a periodic basis as provided in Section 2.10 of this Bond Indenture, which is equal to the sum of (a) the FRN Index multiplied by the FRN Index Percentage, plus (b) the FRN Spread.

“FRN Rate Adjustment Date” means, with respect to FRN Bonds, the day on which the FRN Rate for the then-commencing FRN Interest Rate Period shall be effective, as determined by the Remarketing Agent, in consultation with the Borrower, prior to the FRN Rate Conversion Date, pursuant to Section 2.10(a) hereof.

“FRN Rate Conversion Date” means (a) a continuation of the FRN Bonds in a new FRN Interest Rate Period and (b) a conversion of the FRN Bonds to an FRN Interest Rate Period from an Interest Rate Period other than an FRN Interest Rate Period.

“FRN Rate Determination Date” means, with respect to any FRN Bonds, the Business Day on which the FRN Rate is determined by the Calculation Agent during each FRN Interest Rate Period in consultation with the Borrower, pursuant to Section 2.10(a) of this Bond Indenture.

“FRN Rate Hard Put Bonds” means those FRN Bonds that are required to be purchased on an FRN Rate Hard Put Mandatory Purchase Date, pursuant to the election of the Borrower under Section 2.10(c) hereof.

“FRN Rate Hard Put Mandatory Purchase Date” means, with respect to the FRN Rate Hard Put Bonds, the first day following the last day of each FRN Interest Rate Period.

“FRN Rate Mandatory Purchase Date” means, with respect to the FRN Bonds, each FRN Rate Hard Put Mandatory Purchase Date and FRN Rate Soft Put Mandatory Purchase Date.

“FRN Rate Soft Put Bonds” means any FRN Bonds that, pursuant to the election of the Borrower under Section 2.10(c), are required to be purchased on an FRN Rate Soft Put Mandatory Purchase Date, but only to the extent that (a) remarketing proceeds, (b) funds made available from

a Credit Facility or a Liquidity Facility or (c) other amounts made available by the Borrower, in its sole discretion, are available for such purchase.

“FRN Rate Soft Put Mandatory Purchase Date” means, with respect to the FRN Rate Soft Put Bonds, the first day following the last day of each FRN Interest Rate Period.

“FRN Spread” means the spread, determined by the Remarketing Agent, in consultation with the Borrower, in accordance with Section 2.10(a) prior to the commencement of an FRN Interest Rate Period, based on the relative spreads of securities that bear interest based on the FRN Index and FRN Index Percentage that, in the reasonable judgment of the Remarketing Agent under prevailing market conditions, are otherwise comparable to the Bonds or affecting the market for the Bonds or affecting such other comparable securities in a manner which, in the reasonable judgment of the Remarketing Agent, will affect the market for the Bonds (assuming for these purposes that the Bonds were to bear interest at FRN Rates for a particular FRN Interest Rate Period).

“Funding Amount” has the meaning set forth in Section 4.10(c)(iii) of this Bond Indenture.

“Governing Body” means, with respect to the Borrower, the board of directors or similar group in which the right to exercise the powers of corporate directors is vested.

“Holder,” “Bondholder,” “Owner,” “Registered Owner” or “holder” whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered; provided, however, that any time the Bonds are held in a book-entry system, “Holder” or “Bondholder” shall mean Beneficial Owner of the Bonds.

“Immediate Termination Date” means, with respect to Bonds secured by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement, the date, if any, on which the Liquidity Facility Provider’s obligation to advance funds or purchase Bonds under such Liquidity Facility terminates immediately in accordance with its terms.

“Index Reset Date” means (i) with respect to Daily Simple SOFR, each day, (ii) with respect to Term SOFR, the first Business Day of each calendar month with a two-day lookback, and (iii) with respect to a SIFMA Index, Thursday of each week.

“Initial Fixed Period” means the Fixed Period commencing on the Date of Issuance and ending on the earlier of (i) the conversion to another Fixed Period or Interest Rate Mode, (ii) the date on which the Bonds are redeemed in full or (iii) the Maturity Date.

“Initial Window Rate Spread” means with respect to any Conversion to a Window Period, the spread determined by the Remarketing Agent on the applicable Window Rate Determination Date pursuant to Section 2.12 of this Bond Indenture.

“Interest Accrual Date” means:

- (a) with respect to any Weekly Period, any Daily Period, any Two Day Period, any Window Period, any FRN Period, any VRO Interest Rate Period, any Fixed Period or

any Long Term Period, the first day thereof and, thereafter, each Interest Payment Date during such period, other than the last such Interest Payment Date;

- (b) with respect to any Short Term Interest Rate Period, the first day thereof;

- (c) with respect to any Flexible Rate Period, the first day thereof; and

- (d) with respect to any Direct Purchase Interest Rate Period, the first Business Day of each calendar month, unless otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement;

“Interest Accrual Period” means, during any Direct Purchase Period, the first day thereof, to but not including the next succeeding Interest Accrual Date and, thereafter, each Interest Accrual Date during such period, to but not including the next succeeding Interest Accrual Date, unless otherwise established in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Interest Fund” means the fund by that name established pursuant to Section 5.04 of this Bond Indenture.

“Interest Payment Date” means:

- (a) with respect to any Weekly Period, any Daily Period, any FRN Period, any Two Day Period, or any VRO Interest Rate Period, the first Business Day of each calendar month;

- (b) with respect to any Fixed Period, including the Initial Fixed Period, or Long Term Period, each March 1 and September 1;

- (c) with respect to any Short Term Interest Rate Period, the first Business Day next succeeding the last day thereof;

- (d) with respect to any Window Period, the First Thursday of each month or if such first Thursday is not a Business Day, the next succeeding Business Day;

- (e) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date applicable thereto;

- (f) with respect to any Liquidity Facility Bonds or Credit Facility Bonds, as provided in the applicable Liquidity Facility or Credit Facility Agreement;

- (g) with respect to any Direct Purchase Period, the first Business Day of each calendar month, or as may otherwise be established in the applicable Supplemental Bond Indenture or Bondholder Agreement; and

- (h) in addition to the Interest Payment Dates set forth in (a)-(g) above, with respect to each Interest Rate Mode, the Conversion Date or otherwise the last day of such Interest Rate Mode.

“Interest Rate Mode” means a Daily Mode, a Two Day Mode, a Weekly Mode, a Short Term Mode, a Long Term Mode, an FRN Mode, a VRO Mode, a Window Mode, a Flexible Mode, a Direct Purchase Mode or a Fixed Mode.

“Interest Rate Period” means a Daily Interest Rate Period, a Two Day Interest Rate Period, a Weekly Interest Rate Period, a Short Term Interest Rate Period, a Long Term Interest Rate Period, a Flexible Rate Period, a FRN Interest Rate Period, a VRO Interest Rate Period, a Window Interest Rate Period, a Direct Purchase Interest Rate Period or a Fixed Period.

“Letter of Representations” means the Blanket Issuer Letter of Representations between the Authority and DTC.

“Liquidity Facility” means a line of credit, letter of credit, standby purchase agreement, loan, guarantee, or similar liquidity facility for a Series of Bonds issued by a commercial bank or other financial institution which, by its terms, provides for the payment of the Purchase Price of Bonds tendered and not remarketed, and delivered to the Bond Trustee in accordance with Section 5.04 of the Loan Agreement or, in the event of the delivery of an Alternate Liquidity Facility, such Alternate Liquidity Facility, in each case, as amended, restated, supplemented or otherwise modified pursuant to its terms. To the extent a Credit Facility provides for such payment, it shall also be deemed a Liquidity Facility.

“Liquidity Facility Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Liquidity Facility Bonds” means Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of such Liquidity Facility.

“Liquidity Facility Provider” means the commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect.

“Liquidity Facility Rate” means the rate per annum, if any, specified in a Liquidity Facility as applicable to Liquidity Facility Bonds, which shall not exceed the Maximum Interest Rate, subject to the terms of the related Liquidity Facility.

“Loan” means the loan made by the Authority to the Borrower under the Loan Agreement.

“Loan Agreement” means that certain Series 2024B-2 Loan Agreement dated as of even date herewith between the Authority and the Borrower, as it may from time to time be amended in accordance with the terms hereof or thereof, initially providing for the loan to the Borrower of the proceeds of the Bonds.

“Loan Default Event” means any of the events specified in Section 6.01 of the Loan Agreement.

“Loan Repayments” means the payments of principal of and interest on the Loan referred to in Section 4.01 of the Loan Agreement.

“Long Term Bonds” means Bonds that bear interest at Long Term Rates.

“Long Term Interest Rate Period” means each period during the Long Term Period for which a particular Long Term Rate is in effect.

“Long Term Mode” means the Interest Rate Mode during which the Bonds bear interest at the Long Term Rate.

“Long Term Period” means the entire period during which Bonds thereof constitute Long Term Bonds, which Long Term Period shall generally be comprised of multiple Long Term Interest Rate Periods, during which Long Term Rates are in effect.

“Long Term Rate” means the non-variable interest rate per annum on Long Term Bonds determined on a periodic basis as provided in Section 2.08 of this Bond Indenture.

“Long Term Rate Mandatory Purchase Date” means the first day following the last day of each Long Term Interest Rate Period.

“Mandatory Purchase Date” means any Purchase Date on which Bonds are subject to mandatory purchase pursuant to Sections 4.07, 4.08 or 4.09 of this Bond Indenture, including as set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Mandatory Purchase Window” means, during a Window Period, (a) 210 days or (b) such other number of days specified by the Remarketing Agent prior to the commencement of the Window Period, with the consent of the Borrower, in a written notice to the Bond Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Any change in the Mandatory Purchase Window shall become effective only at the commencement of a Window Period, on a Window Rate Mandatory Purchase Date or any other mandatory tender for purchase for Window Bonds that occurs pursuant to Section 4.07 during such Window Period.

“Margin Rate Factor” means the product of (a) one minus the prevailing Maximum Federal Corporate Tax Rate multiplied by (b) the quotient of (A) one divided by (B) (1) one minus (2) the Maximum Federal Corporate Tax Rate at closing. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“Market Agent” means the Person, if any, appointed by the Borrower to serve as market agent in connection with any Direct Purchase Period.

“Master Indenture” means the Amended and Restated Master Trust Indenture (Security Agreement) dated as of February 1, 2022, by and among the Members of the Obligated Group and the Master Trustee, as previously amended and supplemented and as it may hereafter be amended, supplemented or modified from time to time.

“Master Note” has the meaning set forth in the recitals hereto.

“Master Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, as Master Trustee under the Master Indenture, or its successor.

“Maturity Date” means September 1, 20[___].

“Maximum Federal Corporate Tax Rate” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Direct Purchaser, the maximum statutory rate of federal income taxation which could apply to the Direct Purchaser as of such day).

“Maximum Interest Rate” means 12% per annum for all Bonds except Direct Purchase Bonds, Liquidity Facility Bonds and Credit Facility Bonds, for which the Maximum Interest Rate shall be the Maximum Lawful Rate; provided, however, that in any case the Maximum Interest Rate on any Bonds shall not exceed the Maximum Lawful Rate.

“Maximum Lawful Rate” means the maximum nonusurious rate of interest on the relevant obligation permitted by applicable law.

“Member,” “Member of the Obligated Group” or “Obligated Group Member” has the meaning set forth in the Master Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Noticed Termination Date” means, with respect to Bonds supported by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement or a Credit Facility, the date on which a Liquidity Facility Provider’s or Credit Facility Provider’s obligation to advance funds or purchase Bonds under a Liquidity Facility or Credit Facility terminates or has not been reinstated as stated in the Liquidity Facility Provider’s or Credit Facility Provider’s notice of termination delivered pursuant to the Liquidity Facility or Credit Facility and related Credit Facility Agreement or Liquidity Facility Agreement due to a non-reimbursement of the Credit Facility Provider or Liquidity Facility Provider or default under specified sections of the Liquidity Facility or Credit Facility Agreement, as applicable, which date of termination shall be fifteen (15) days (or such other period as is specified in the Liquidity Facility Agreement or Credit Facility Agreement) after the date of receipt by the Bond Trustee of such notice.

“Obligated Group” means the Obligated Group created by the Master Indenture.

“Opinion of Counsel” means a written opinion of counsel (who may be Co-Bond Counsel or counsel for the Borrower or the Authority) appointed by the Office of General Counsel or selected by the Borrower.

“Optional Redemption Fund” means the account by that name established pursuant to Section 5.06 of this Bond Indenture.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 of this Bond Indenture) all Bonds theretofore, or thereupon

being, authenticated and delivered by the Bond Trustee under this Bond Indenture except (a) Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01 of this Bond Indenture, including Bonds (or portions of Bonds) referred to in Section 11.10 of this Bond Indenture; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to this Bond Indenture; (d) Bonds alleged to have been mutilated, destroyed, lost or stolen and for which security or indemnity has been provided, as provided in Section 2.19 of this Bond Indenture; and (e) any Undelivered Bond.

“Paying Agent” means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal of and interest on the Bonds. Initially, the Bond Trustee will act as the Paying Agent.

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

“Prime Rate” means, during any Direct Purchase Period, the Prime Rate set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Project Fund” means the account by that name established pursuant to Section 5.02.

“Principal Office” of a Remarketing Agent, a Calculation Agent or a Market Agent means the address for such Remarketing Agent, Calculation Agent or Market Agent designated in writing to the Bond Trustee and the Borrower.

“Project” or “2024 Project” has the meaning set forth in the recitals hereto.

“Purchase Date” means each date on which Bonds are subject to optional or mandatory purchase pursuant to this Bond Indenture and shall include each Mandatory Purchase Date and each date on which the Borrower provides funds pursuant to the proviso contained in Section 4.18(b) hereof following return of the Bonds to the Holders pursuant to Section 4.18(a) hereof.

“Purchase Price” means, with respect to a Bond subject to purchase on a Purchase Date, an amount equal to the principal amount thereof plus accrued interest to, but not including, the Purchase Date; provided, however, that:

(a) if the Purchase Date for any Purchased Bond is an Interest Payment Date, the Purchase Price thereof shall be the principal amount thereof, and interest on such Bond shall be paid to the Holder of such Bond pursuant to this Bond Indenture; and

(b) in the case of a purchase on the first day of an Interest Rate Period which is preceded by a Long Term Period and which commences prior to the day originally established as the last day of such preceding Long Term Period, “Purchase Price” of any Purchased Bonds means the optional Redemption Price set forth in Section 4.01(g) hereof

which would have been applicable to such Bond if the preceding Long Term Period had continued to the day originally established as its last day, plus accrued interest, if any.

“Purchased Bonds” means the Bonds to be purchased on a Purchase Date pursuant to Sections 4.06, 4.07, 4.08 or 4.09 of this Bond Indenture.

“Qualified Investments” means such of the following as shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys will be required for the purposes intended: (i) United States Government Obligations, (ii) Agency Obligations, (iii) debt obligations (A) which are issued by any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, and (B) which are, or the obligor on which is, at the time of purchase, rated by a Rating Agency and, as to any such Rating Agency, in any of its four (4) highest Rating Categories; (iv) deposit, money market or demand accounts, other deposit products or any bank certificates of deposit, whether negotiable or nonnegotiable, issued by any bank, trust company or national banking association (including the Bond Trustee and any Affiliate of the Bond Trustee), provided that, such certificates of deposit must be continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by United States Government Obligations and/or Agency Obligations having a market value (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at all times at least equal to the principal amount of such certificates of deposit (or portion thereof not insured as aforesaid), which securities shall be lodged with the Bond Trustee, or any Federal Reserve Bank, as custodian, by the issuer of such certificates of deposit; (v) bonds, notes, debentures, investment agreements or other evidences of indebtedness issued or guaranteed by a corporation or other financial institution which are, or the obligor on which is, at the time of purchase, rated by a Rating Agency and, as to any such Rating Agency, in any of its four (4) highest Rating Categories; (vi) commercial paper, which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1 by S&P and which matures not more than 270 calendar days after the date of purchase; (vii) investments in money market funds (including money market funds for which the Bond Trustee or an Affiliate performs a service and receives a fee) which are registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, and which, at the time of purchase, are rated by a Rating Agency and, as to any such Rating Agency in any of its three (3) highest Rating Categories, provided that sums not in excess of \$1,000,000 may be invested in money market instruments which do not satisfy the foregoing requirements for periods of up to six (6) months; and (viii) Repurchase Agreements.

“Rating Agency” means S&P, Moody’s or Fitch.

“Rating Category” means a generic securities rating category, without regard, in the case of a long term rating category, to any refinement or gradation of such long term rating category by a numerical modifier or otherwise.

“Rebate Amount” means the Rebate Requirement (as defined in the Tax Certificate) with respect to the Bonds determined in accordance with Section 5.10 hereof and the Tax Certificate.

“Rebate Analyst” means an independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and

compensated by the Borrower to make the computations and give the directions required under Section 5.09 of this Bond Indenture and the Tax Certificate.

“Rebate Fund” means the fund by that name created under Section 5.10 of this Bond Indenture.

“Record Date” means, with respect to any Interest Payment Date, (a) with respect to any Bonds other than Long Term Bonds or Fixed Bonds, the Business Day immediately preceding such Interest Payment Date, and (b) with respect to Long Term Bonds and Fixed Bonds the fifteenth day of the month preceding the month in which such Interest Payment Date occurs, whether or not such day is a Business Day.

“Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium (including breakage costs, if any, payable under a Bondholder Agreement during a Direct Purchase Period), if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Bond Indenture.

“Refunded Bonds” has the meaning set forth in the recitals hereto.

“Refunding Project” means the refunding and/or defeasance of the Refunded Bonds.

“Registration Books” means books maintained by the Bond Trustee on behalf of the Authority at the Corporate Trust Office of the Bond Trustee for the purpose of recording the registration, transfer, exchange or replacement of any of the Bonds.

“Reimbursement Obligations” means those amounts required to be reimbursed to a Credit Facility Provider or Liquidity Facility Provider upon payment under a Credit Facility or Liquidity Facility.

“Relevant Governmental Body” shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Remarketing Agent” means, with respect to the Bonds, the financial institution or institutions designated by the Borrower as the Remarketing Agent, if any, for such Bonds, or any other Remarketing Agent or successor or additional Remarketing Agent appointed in accordance with this Bond Indenture. No Remarketing Agent shall be required during any Fixed Period, during any Direct Purchase Period until the applicable Direct Purchase Rate Mandatory Purchase Date or during any Long Term Rate Period until the applicable Long Term Rate Mandatory Purchase Date.

“Remarketing Agreement” means any agreement between TJU and a Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent under this Bond Indenture.

“Remarketing Proceeds Account” means the account by that name within the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Remarketing Window” has the meaning given in Section 4.10(c)(iv) of this Bond Indenture.

“Repurchase Agreement” means written repurchase agreements collateralized by United States Government Obligations and/or Agency Obligations (the “Collateral Securities”) with any registered broker/dealer subject to the jurisdiction of the Securities Investors’ Protection Corporation or any commercial bank whose deposits are insured by the FDIC (including any broker/dealer affiliated with the Bond Trustee), if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation, at the time of purchase, rated “A3” or better by Moody’s, and “A-” or better by S&P, provided that:

(a) a master repurchase agreement or other specific written repurchase agreement governs the transaction;

(b) the Collateral Securities are held free and clear of any lien by an independent third party acting solely as agent for the Bond Trustee (as may be evidenced by an opinion of counsel acceptable to the Bond Trustee) or an independent third party acting solely as agent (“Agent”) for the Bond Trustee, and such third party is (1) a Federal Reserve Bank or (2) a bank that is a member of the FDIC and that has combined capital, surplus and undivided profits of not less than \$50,000,000, and the Bond Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bond Trustee;

(c) the Agent will value the Collateral Securities no less frequently than weekly and will liquidate the Collateral Securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; and

(d) the fair market value of the Collateral Securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%.

“Required Stated Amount” means with respect to a Liquidity Facility or a Credit Facility, at any time of calculation, an amount equal to the aggregate principal amount of all Bonds then Outstanding supported by such Liquidity Facility or Credit Facility together with interest accruing thereon (assuming an annual rate of interest equal to the Maximum Interest Rate) for the minimum period specified by the Rating Agencies then rating such Bonds as necessary to obtain (or maintain) a specified short term rating of such Bonds.

“Responsible Officer” means any officer within the corporate trust department of the Bond Trustee, including any vice president, assistant vice president or any other officer of the Bond Trustee within the corporate trust office specified in Section 11.07 (or any successor corporate trust office) who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Bond Indenture.

“Revenue Fund” means the fund by that name established pursuant to Section 5.03 of this Bond Indenture.

“Revenues” means all amounts received by the Authority or the Bond Trustee pursuant or with respect to the Loan Agreement or the Master Note, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Bond Indenture (other than the Rebate Fund and the Bond Purchase Fund), but not including the Authority’s Unassigned Rights, any Administrative Fees and Expenses, Additional Payments, any moneys required to be deposited in the Rebate Fund or the Bond Purchase Fund or any interest, profits or other income required to be retained in the Rebate Fund or the Bond Purchase Fund.

“S&P” means S&P Global Ratings, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Depository” means The Depository Trust Company and its successors and assigns, or any other securities depository selected as set forth in Section 2.22.

“Self-Liquidity Arrangement” means an agreement or other arrangement from the Borrower to pay the Purchase Price of the Bonds without the support of a Credit Facility or a Liquidity Facility.

“Series,” when used with respect to the Bonds, means all the Bonds designated as being of the same Series or sub-Series, whether upon initial issuance thereof or upon any Conversion of a portion of a Series and redesignation thereof into one or more sub-Series, authenticated and delivered in a simultaneous transaction, and any Bonds thereafter authenticated and delivered upon a transfer or exchange or in lieu of or in substitution for such Bonds of such Series or sub-Series, or upon a Conversion of a portion of any Series or sub-Series of the Bonds, as herein provided. In the event that the Bonds or a portion of the Bonds have been so designated as being in more than a single Series or sub-Series, references in this Bond Indenture and in the Loan Agreement to the Bonds shall, as the context may require, refer to only the Bonds of the particular Series or sub-Series in question.

“Short Term Bonds” means Bonds that bear interest at Short Term Rates.

“Short Term Interest Rate Period” means each period during the Short Term Period for which a particular Short Term Rate is in effect.

“Short Term Mode” means the Interest Rate Mode during which the Bonds bear interest at Short Term Rates.

“Short Term Period” means each period during which Bonds constitute Short Term Bonds, which Short Term Period shall generally be comprised of multiple Short Term Interest Rate Periods, during which Short Term Rates are in effect.

“Short Term Rate” means the interest rate per annum on Short Term Bonds determined on a periodic basis as provided in Section 2.07 of this Bond Indenture.

“Short Term Rate Mandatory Purchase Date” means the first day following the last day of each Short Term Interest Rate Period.

“SIFMA” means the Securities Industry and Financial Markets Association.

“SIFMA Index” means, on any date, a rate determined on the basis of the seven day high grade market index of tax exempt variable rate demand obligations, as produced by Bloomberg (or successor organizations) and published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Borrower and effective from such date or if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or successor organizations) or (ii) with a Favorable Opinion of Bond Counsel, such other index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to the Bonds as selected by the Borrower.

“Sinking Fund Installment” means the amount required by Section 5.05(d) of this Bond Indenture to be paid on any single date for the retirement of Bonds of a Series.

“Special Record Date” means the date established by the Bond Trustee pursuant to Section 2.02(b)(vi) of this Bond Indenture as the record date for the payment of defaulted interest on Bonds.

“Substitute Obligation” has the meaning set forth in Section 6.08 of this Bond Indenture.

“Supplemental Bond Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Bond Trustee, supplementing, modifying or amending this Bond Indenture; but only if and to the extent that such Supplemental Bond Indenture is specifically authorized hereunder.

“Tax Certificate” means the Tax Compliance Certificate relating to the Series 2024B-2 Bonds and delivered by the Authority and the Borrower, as Combined Group Agent.

“Tax Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Term Out Period” means, during any Direct Purchase Period, the Term Out Period, if any, established by the Direct Purchaser or the Market Agent, or while a Liquidity Facility or Credit Facility is in place, the Term Out Period, if any, established by the Liquidity Facility Provider or Credit Facility Provider, or as otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Term Out Rate” means, during any Direct Purchase Period, the Term Out Rate, if any, established by the Direct Purchaser or the Market Agent, or while a Liquidity Facility or Credit

Facility is in place, the Term Out Rate, if any, established by the Liquidity Facility Provider or Credit Facility Provider, or as otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Term SOFR” means the forward-looking term rate with a tenor of approximately one month based upon the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

“TJU” has the meaning set forth in the recitals hereto.

“Two Day Bonds” means Bonds that bear interest at Two Day Rates.

“Two Day Interest Rate Period” means each two day period during a Two Day Period for which a particular Two Day Rate is in effect.

“Two Day Mode” means the Interest Rate Mode during which the Bonds bear interest at Two Day Rates.

“Two Day Period” means the entire period during which Bonds constitute Two Day Bonds, which Two Day Period shall generally be comprised of multiple Two Day Interest Rate Periods, during which Two Day Rates are in effect.

“Two Day Rate” means the interest rate per annum on Two Day Bonds determined on a two day basis as provided in Section 2.05 of this Bond Indenture.

“Unassigned Rights” means the rights of the Authority expressly granted to the Authority in this Bond Indenture or in the Loan Agreement to (a) inspect books and records, (b) give or receive notices, approvals, consents, requests, and other communications, (c) receive payment or reimbursement for expenses or fees, (d) the benefit of all provisions providing the Authority immunity from and limitation of liability, (e) indemnification from liability by the Borrower, (f) security for the Borrower's indemnification obligation and (g) decide whether to execute and deliver supplements and amendments to this Bond Indenture or the Loan Agreement.

“Undelivered Bond” means any Bond that constitutes an Undelivered Bond under the provisions of Section 4.12 of this Bond Indenture.

“Undelivered Bond Payment Account” means the account by that name within the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“United States Government Obligations” means obligations that are direct, full faith and credit obligations of the United States of America or are obligations with respect to which the United States of America has fully and unconditionally guaranteed the timely payment of all principal or interest or both, but only to the extent of the principal or interest so guaranteed, including United States Agency for International Development Bonds and Resolution Funding Corporation Interest STRIPS.

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for the purpose of trading in U.S. government securities.

“Unremarketed Bonds” means Direct Purchase Bonds for which the Holders have not received the full Purchase Price of all of their Bonds on the applicable Direct Purchase Rate Mandatory Purchase Date.

“VRO” means Variable Remarketed Obligation.

“VRO Bonds” means Bonds that bear interest at VRO Rates.

“VRO Interest Rate Period” means each period during which Bonds are in the VRO Mode, which VRO Interest Rate Period shall generally be comprised of multiple VRO Interest Rate Periods, during which VRO Rates are in effect.

“VRO Interest Rate Period Designated Amount” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Failed Remarketing Event” has the meaning given in Section 2.11(c)(i).

“VRO Interest Rate Period Purchase Date” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Purchase Price” has the meaning given in Section 2.11(b)(ii).

“VRO Interest Rate Period Remarketing Date” has the meaning given in Section 2.11(c)(ii).

“VRO Interest Rate Period Remarketing Date Purchase Price” has the meaning given in Section 2.11(c)(ii).

“VRO Interest Rate Period Remarketing Notice” has the meaning given in Section 2.11(b)(iv).

“VRO Interest Rate Period Remarketing Window” has the meaning given in Section 2.11(b)(iv).

“VRO Interest Rate Period Special Mandatory Redemption Date” means the earlier of (i) the maturity date of the VRO Bonds and (ii) the third annual anniversary of the VRO Interest Rate Period Tender Notice Date relating to the VRO Interest Rate Period Tender Notice that resulted in the applicable VRO Interest Rate Period Failed Remarketing Event (or if such day is not a Business Day, the next preceding Business Day).

“VRO Interest Rate Period Tender Notice” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Tender Notice Date” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Tendered Bonds” has the meaning given in Section 2.11(b)(ii).

“VRO Mode” means the Interest Rate Mode during which the Bonds bear interest at the VRO Rate.

“VRO Rate” means the interest rate per annum on VRO Bonds determined on a periodic basis as provided in Section 2.11 of this Bond Indenture.

“VRO Step Up Rate” means the lesser of (i) 12% per annum or (ii) the Maximum Lawful Rate.

“Weekly Bonds” means Bonds that bear interest at Weekly Rates.

“Weekly Interest Rate Period” means each weekly period during the Weekly Period for which a particular Weekly Rate is in effect.

“Weekly Mode” means the Interest Rate Mode during which the Bonds bear interest at Weekly Rates.

“Weekly Period” means the entire period during which Bonds constitute Weekly Bonds, which Weekly Period shall generally comprise multiple Weekly Interest Rate Periods, during which Weekly Rates are in effect.

“Weekly Rate” means the interest rate per annum on Weekly Bonds determined on a weekly basis as provided in Section 2.06 of this Bond Indenture.

“Window Bonds” means Bonds that bear interest at Window Rates.

“Window Interest Rate Period” means each period during the Window Period for which a particular Window Rate is in effect, which shall be a period generally consisting of 7 days commencing on a Thursday and ending on the following Wednesday, except in the case of (a) the initial Window Rate Interest Period occurring after a Conversion to the Window Mode for which the period shall be from the applicable Conversion Date to and including the following Wednesday and (b) the last Window Interest Rate Period during a Window Period, for which the period shall end on the day preceding the applicable Conversion Date, redemption date or Maturity Date.

“Window Mode” means the Interest Rate Mode during which the Bonds bear interest at the Window Rate.

“Window Period” means the entire period during which Bonds constitute Window Bonds, which Window Period shall generally be comprised of multiple Window Interest Rate Periods, during which Window Rates are in effect.

“Window Rate” means the interest rate per annum on Window Bonds determined on a periodic basis as provided in Section 2.12 of this Bond Indenture.

“Window Rate Determination Date” means, with respect to Window Bonds, in the case of a Conversion of Bonds to the Window Period, a Business Day not later than the applicable Conversion Date, and thereafter, each Thursday or, if Thursday is not a Business Day, then the Business Day next following such Thursday.

“Window Rate Mandatory Purchase Date” has the meaning given in Section 4.11(b)(iii) of this Bond Indenture.

“Window Rate Optional Purchase Date” has the meaning given in Section 4.06(b)(iii) of this Bond Indenture.

“Window Rate Spread” means, during a Window Period, (a) the Initial Window Rate Spread, or (b) a revised spread determined by the Remarketing Agent pursuant to Section 2.12.

“Written Request” means with reference to the Authority, a request in writing signed by an Authorized Representative of the Authority and, with reference to the Borrower, means a request in writing signed by an Authorized Representative of the Borrower.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Bond Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(d) Any reference herein to the Authority, the governing body or any member or officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(e) Any terms not defined herein but defined in the Loan Agreement or the Master Indenture, shall have the same meaning herein.

(f) Words importing the redemption of a Bond or the calling of a Bond for redemption do not mean or include the payment of a Bond at its Maturity Date or the purchase of a Bond.

Section 1.03. Content of Certificates and Opinions. Every certificate or opinion provided for in this Bond Indenture with respect to compliance with any provision hereof shall include (1) a statement that the Person making or giving such certificate or opinion has read such provision

and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based; and (5) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

Any such certificate or opinion made or given by an Authorized Representative of the Authority or the Borrower may be based, insofar as it relates to legal, accounting or business matters, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is materially erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an Authorized Representative of the Authority or the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is materially erroneous. The same Authorized Representative of the Authority or the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Bond Indenture, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II THE BONDS

Section 2.01. Authorization of Bonds. The Series 2024B-2 Bonds to be designated as “Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2” and will be issued in the aggregate principal amount of \$[_____]. In connection with any Conversion of Bonds (in whole or in part) or any mandatory tender and remarketing of Bonds (in whole or in part) on any Purchase Date, at the direction of the Borrower any such Bonds or portions of the Bonds may be reconfigured, combined or redesignated or divided to create sub-Series or to combine any such sub-Series. All Bonds shall be equally and ratably secured by this Bond Indenture. This Bond Indenture constitutes a continuing agreement with the Holders from time to time of the Bonds to secure the full payment of the principal, Redemption Price and Purchase Price of and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

The total principal amount of the Series 2024B-2 Bonds that may be issued pursuant to this Bond Indenture is hereby expressly limited to \$[_____].

Section 2.02. Terms of the Bonds; Registration; Denominations; Payment of Principal and Interest.

(a) The Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations (other than Bonds during any Direct Purchase Period which may be in any larger denominations as may be directed by the Direct Purchaser). The Bonds shall be registered in the name of “Cede & Co.,” as nominee of the Securities Depository (except during any Direct Purchase Period, when the Bonds may be registered in the name of the Direct Purchaser as provided in Section 2.13(d)(iii) hereof or as otherwise directed by the Direct Purchaser), and shall be evidenced by one Bond certificate for each interest rate and Maturity Date (upon a future Conversion to a new Fixed Period, which, if serialized, may be evidenced by a Bond certificate for each interest rate and Maturity Date as provided in Section 2.15(f)(vi) hereof). Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.21 hereof.

The Bonds, as initially issued, shall be dated their Date of Issuance. Subsequently issued Bonds will be dated as of the most recent Interest Payment Date to which interest has been paid on or prior to the date on which it is authenticated or, if authenticated prior to the first Interest Payment Date, as of the date of their initial issuance. The Bonds shall be numbered in consecutive numerical order from RB-2 upwards.

(b) The Bonds shall bear interest, payable on each Interest Payment Date in immediately available lawful money of the United States of America, at the rates for the applicable Interest Rate Mode and Maturity Date, as applicable, determined pursuant to this Article II from the date thereof, and shall mature on the Maturity Date.

(i) The Bonds are initially being issued as bonds, the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes.

(ii) For any Weekly Period, Daily Period, Two Day Period, FRN Period, VRO Interest Rate Period or Window Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Period, Daily Period, Two Day Period, FRN Period, VRO Interest Rate Period or Window Period, as applicable). For any Short Term Period, Flexible Rate Period, Fixed Period or Long Term Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. For any Direct Purchase Period, interest shall be payable on each Interest Payment Date for each Interest Accrual Period. For the Initial Fixed Period, interest shall be payable on each March 1 and September 1, commencing March 1, 2025.

(iii) Interest on the Bonds shall be payable to the date on which the respective Bonds shall have been paid in full. Interest shall be computed, in the case of Fixed Bonds or Long Term Bonds, on the basis of a 360 day year consisting of twelve 30 day months, in the case of Direct Purchase Bonds, on the basis of a 365-366 day year, as appropriate, and the actual days elapsed or on the basis of a 360 day year for the actual number of days elapsed, as set forth in the applicable Bondholder Agreement, and in the case of Weekly Bonds, Daily Bonds, Two Day Bonds, Short Term Bonds, FRN Bonds, VRO Bonds, Window Bonds, or Flexible Rate Bonds, on the basis of a 365 or 366 day year, as appropriate, and the actual number of days elapsed.

(iv) The interest rates for the Bonds and the determination of the interest rates for the Bonds by the Remarketing Agent, the Market Agent, or the Calculation Agent, as applicable, shall be conclusive and binding upon the Authority, the Borrower, the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of such Bonds.

(v) Except as provided in the following sentence and in Section 2.02(f) below for any Direct Purchase Period, interest on the Bonds shall be payable on each Interest Payment Date by the Bond Trustee to the Holder of Bonds who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Bond Trustee with written payment instructions.

(vi) If available funds are insufficient on any Interest Payment Date to pay the interest then due on the Bonds, interest shall continue to accrue thereon but shall cease to be payable to the Holder on such Record Date. If sufficient funds for the payment of such overdue interest thereafter become available, the Bond Trustee shall (A) establish a “special interest payment date” for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Bondholders entitled to such payment and (B) mail notices by first class mail of such dates as soon as practicable. Notice of each such date so established shall be mailed to each Bondholder at least ten (10) days prior to the Special Record Date but not more than thirty (30) days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Holders, as shown on the Registration Books as of the close of business on the Special Record Date.

(vii) Notwithstanding the foregoing provisions of this Section 2.02(b), Liquidity Facility Bonds and Credit Facility Bonds shall bear interest, respectively, at the applicable Liquidity Facility Rate or the applicable Credit Facility Rate and shall be payable on the dates, in the amounts and in the manner as set forth in this Bond Indenture and the applicable Liquidity Facility Agreement or Credit Facility Agreement.

(c) The Bonds shall initially mature, subject to prior redemption as provided in the form thereof, in the amounts and on the dates and bear interest at the rates set forth below:

Year of Maturity (September 1)	Interest Rate	Principal Amount

(i) The Sinking Fund Installments established for the Bonds pursuant to Section 5.05(d) may be redesignated as Maturity Dates and Sinking Fund Installments on a Fixed Rate Conversion Date for the Bonds to a Fixed Period as provided in Section 2.15(f)(vi) of this Bond Indenture.

(ii) The Maturity Dates and Sinking Fund Installments established for any Fixed Period may be redesignated as Maturity Dates and Sinking Fund Installments on a Conversion Date for the Bonds as provided in Section 2.15(f)(vii) of this Bond Indenture.

(iii) The full principal or Redemption Price of the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Bond Trustee upon surrender of the Bonds to the Bond Trustee for cancellation; provided that the Bond Trustee may agree with the Holder of any Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond in the form set forth below (which shall be typed or printed on such Bond):

Payment Date	Payments on Account Principal		Signature of Holder
	Principal Amount Paid	Balance of Principal Amount Unpaid	

The Bond Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Bond Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Holder of such Bond, and the Authority and the Bond Trustee shall be fully released and discharged from all liability to the extent of such

payment regardless of whether such endorsement shall or shall not have been made upon such Bond by the Holder thereof and regardless of any error or omission in such endorsement.

(d) The Bonds shall be subject to redemption as provided in Articles IV and V.

(e) Except during any period when the Bonds are not required or permitted to have CUSIP numbers as may be specified in a Bondholder Agreement, the Bond Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal and Redemption Price by CUSIP number of the Bonds.

(f) The Authority and the Bond Trustee agree that during any Direct Purchase Period, the Direct Purchaser may determine and direct, by Electronic Notice to the Borrower, the Authority, and the Bond Trustee, that all amounts payable with respect to the Bonds shall be paid directly by the Borrower to the Direct Purchaser (without any presentment thereof to the Borrower or to the Bond Trustee, except upon the payment of the final installment of principal, when presentment shall be made to the Bond Trustee, and without any notation of such payment being made thereon) in such manner and at the address or wire instructions specified in the Bondholder Agreement or at such other address in the United States as may be designated by the Direct Purchaser in writing to the Bond Trustee and the Borrower. Any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment. The Direct Purchaser shall notify the Authority, the Borrower and the Bond Trustee in writing of any failure of the Borrower to make any payment of the principal or Purchase Price of or interest on the Bonds when due, and the Bond Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing. Subject to the terms set forth in Section 2.17, if the Bonds are sold or transferred, the selling or transferring Holder shall notify the Authority, the Bond Trustee and the Borrower in writing of the name and address of the transferee, the effective date of the transfer, the outstanding principal amount of the Bonds as of the transfer date and the payment information notated on the Bonds as described below, and it will, prior to delivery of such Bonds, make a notation on such Bonds of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. Furthermore, the Bond Trustee shall have no obligations to make payments of the principal, Redemption Price or Purchase Price of or interest on the Bonds, nor shall the Bond Trustee be obligated to collect any required payments under the Loan Agreement or to take any other action in respect thereof, except at the express written direction of the Borrower or the Direct Purchaser. The Direct Purchaser shall notify the Authority, the Bond Trustee and the Borrower by Electronic Notice or by other writing, not later than the Business Day preceding each Interest Payment Date, of the amount of principal and interest due and payable on each such Interest Payment Date.

Section 2.03. Initial Interest Rates; Subsequent Interest Rates.

(a) Interest Rate Mode for the Series 2024B-2 Bonds. The Interest Rate Mode for the Series 2024B-2 Bonds shall initially be the Fixed Mode and the Series 2024B-2

Bonds shall bear interest at the Fixed Rate as set forth in Section 2.14 and shall mature, subject to earlier redemption, on the Maturity Date.

(b) Interest Rate Periods. In the manner hereinafter provided, the term of the Bonds in each Interest Rate Mode will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at a Daily Rate, a Two Day Rate, a Weekly Rate, a Short Term Rate, a Long Term Rate, a Flexible Rate, an FRN Rate, a VRO Rate, a Window Rate, a Fixed Rate or a Direct Purchase Rate, as may be applicable for the specific Interest Rate Mode.

(c) Determination of Interest Rates Upon Conversion.

(i) Interest Rates. All Bonds shall be in the same Interest Rate Mode and operate in the same Interest Rate Period, subject to future designations as separate Series, in which case all Bonds of a Series shall be in the same Interest Rate Mode and operate in the same Interest Rate Period.

(ii) Maximum Interest Rate. Interest on the Bonds shall not exceed the Maximum Interest Rate applicable thereto.

(iii) [Reserved].

(iv) Daily Bonds, Two Day Bonds, Weekly Bonds, Short Term Bonds, Long Term Bonds or Fixed Bonds. Subject to the further provisions of this Section 2.03 with respect to particular Daily Rates, Two Day Rates, Weekly Rates, Short Term Rates, Long Term Rates or Fixed Rates, or Conversions between Daily Rates, Two Day Rates, or Weekly Rates or to Short Term Rates or Long Term Rates or Fixed Rates, the interest rate on Bonds during any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period shall be determined by the Remarketing Agent with respect to the Bonds of a Series as provided in this Section 2.03, and notice thereof shall be given as follows:

(A) The interest rate for the Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period in question shall be determined by the Remarketing Agent on the date or dates and at the time or times required pursuant to Sections 2.04, 2.05, 2.06, 2.07, 2.08 or 2.14, as applicable. The interest rate to be determined for the Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the Bonds in question, assuming the Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, as of the date of determination, except as otherwise provided for Long Term Rates in Section 2.08 or for Fixed Rates in Section 2.14.

(B) If the Remarketing Agent fails for any reason to determine the Daily Rate, Two Day Rate, Weekly Rate, Short Term Rate, Long Term Rate or Fixed Rate for any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period, or Fixed Period, as applicable, when required hereunder, then the interest rate on such Bonds shall be the interest rate set by the Remarketing Agent for the most recent period for which the interest rate was validly determined by the Remarketing Agent until the interest rate on such Bonds is again validly determined by the Remarketing Agent, or in the event that a court holds that the Daily Rate, Two Day Rate, Weekly Rate, Short Term Rate, Long Term Rate or Fixed Rate for any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period, or Fixed Period, respectively, is invalid, illegal or unenforceable, then the interest rate on such Bonds shall be equal to (i) with respect to any Daily Period, Two Day Period, Weekly Period, Short Term Period, the lesser of the SIFMA Index or the Maximum Interest Rate, and (ii) with respect to any Long Term Period or Fixed Period, the Maximum Interest Rate, until the interest rate on such Bonds is again validly determined by the Remarketing Agent, in each case, so long as no Event of Default shall have occurred and be continuing. If there is no Remarketing Agent when a Remarketing Agent is required pursuant to this Bond Indenture, the interest rate on such Bonds shall be the Maximum Interest Rate and in each case until the interest rate on such Bonds is validly determined by a Remarketing Agent appointed pursuant to Sections 4.15 and 4.16 hereof.

(C) All Daily Bonds, Two Day Bonds, Weekly Bonds and Long Term Bonds of a Series shall bear interest accruing at the same Daily Rate, Two Day Rate, Weekly Rate or Long Term Rate, respectively.

(D) Interest on Bonds in a Fixed Period shall be determined pursuant to Section 2.14. The Fixed Period shall extend to the Maturity Date, and Bonds bearing interest at a Fixed Rate may only be converted to another Interest Rate Mode or to a new Fixed Period as permitted by Section 2.15 hereof.

(v) Flexible Rate Bonds. The Flexible Rate shall be determined in accordance with Section 2.09.

(vi) FRN Bonds. The FRN Rate shall be determined in accordance with Section 2.10. All FRN Bonds of a Series shall bear interest accruing at the same FRN Rate.

(vii) VRO Bonds. The VRO Rate shall be determined in accordance with Section 2.11. All VRO Bonds of a Series shall bear interest accruing at the same VRO Rate, except as otherwise provided in Section 2.11.

(viii) Window Bonds. The Window Rate shall be determined in accordance with Section 2.12. All Window Bonds of a Series shall bear interest accruing at the same Window Rate.

(ix) Direct Purchase Bonds. The Direct Purchase Rate shall be determined in accordance with Section 2.13. All Direct Purchase Bonds of a Series shall bear interest at the same Direct Purchase Rate.

(x) Bank Bonds. The Liquidity Facility Rate or Credit Facility Rate, as applicable, shall be determined in accordance with the applicable Liquidity Facility Agreement or Credit Facility Agreement. Interest at the Liquidity Facility Rate or Credit Facility Rate shall be paid directly to the Liquidity Facility Provider or Credit Facility Provider, as applicable, as set forth in the applicable Liquidity Facility Agreement or Credit Facility Agreement.

Section 2.04. Daily Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Daily Rate, Daily Interest Rate Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(b) Effective Period. The interest rate for each Daily Interest Rate Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(c) Determination Time. Each Daily Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the commencement date of the Daily Interest Rate Period to which it relates. Notice of each Daily Rate shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no less frequently than once each week, and on the Business Day preceding each Interest Payment Date. The Bond Trustee shall inform the Holders of each Daily Rate determined by the Remarketing Agent upon written request.

Section 2.05. Two Day Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Two Day Rate, Two Day Interest Rate Periods shall commence on the first day of a period during which the Bonds bear interest at a Two Day Rate and on each Monday, Wednesday and Friday thereafter so long as interest on the Bonds is to be payable at a Two Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day, and extend to, but not include the next day on which a Two Day Rate is required to be set in accordance with the terms of Section 2.05(c) below.

(b) Effective Period. The Two Day Rate set on any Business Day for each Two Day Interest Rate Period will be effective as of such Business Day and will remain in effect until the next day on which a Two Day Rate is required to be set in accordance with the terms of Section 2.05(c) below.

(c) Determination Time. The Remarketing Agent shall set a Two Day Rate on or before 10:00 a.m., New York City time, on the first day of a period during which the

Bonds bear interest at a Two Day Rate and on each Monday, Wednesday and Friday thereafter so long as interest on the Bonds is to be payable at a Two Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day. Notice of each Two Day Rate shall be given by the Remarketing Agent to the Bond Trustee and the Borrower, with respect to the Bonds to which such Two Day Rate is applicable, by Electronic Notice not later than 10:30 a.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Two Day Rate determined by the Remarketing Agent upon request.

Section 2.06. Weekly Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Weekly Rate, Weekly Interest Rate Periods shall commence on and include Thursday of each week and end on and include the next succeeding Wednesday; provided, however, that (i) in the case of a Conversion to a Weekly Rate from another Interest Rate Mode, the initial Weekly Interest Rate Period for such Bonds shall commence on the Conversion Date into the Weekly Period and end on and include the next succeeding Wednesday and (ii) in the case of a Conversion from a Weekly Rate to another Interest Rate Mode, the last Weekly Interest Rate Period prior to Conversion shall end on the last day immediately preceding the applicable Conversion Date.

(b) Effective Period. The interest rate for each Weekly Interest Rate Period shall be effective from and including the commencement date of such Weekly Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Determination Time. Other than the initial Weekly Rate, each Weekly Rate shall be determined by the Remarketing Agent by 5:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Rate Period to which it relates. Notice of each Weekly Rate shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such Weekly Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Weekly Rate determined by the Remarketing Agent upon request.

Section 2.07. Short Term Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Short Term Rate, each Short Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding that Short Term Interest Rate Period which will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost during the term of such Short Term Bonds; provided that each Short Term Interest Rate Period (i) shall be from 1 to 364 days in length but, if a Credit Facility or a Liquidity Facility is in effect with respect to such Short Term Bonds, shall not exceed the number of days of interest coverage provided by such Credit Facility or such Liquidity Facility minus five days, shall not extend beyond the date that is five days before the Expiration Date of

such Credit Facility or such Liquidity Facility and shall not exceed the number of days remaining prior to the Conversion Date if the Remarketing Agent has given or received notice of any Conversion to a different Interest Rate Mode, and (ii) shall commence on a Business Day (except that in the case of a Conversion to a Short Term Mode, the initial Short Term Rate shall commence on the Conversion Date), and (iii) shall end on a day preceding a Business Day or the day preceding the Maturity Date for such Bonds. The Remarketing Agent may, in the reasonable exercise of its judgment, determine one or more Short Term Periods that result in a Short Term Rate or Short Term Rates on Bonds that are higher than would be borne by such Bonds with a shorter Short Term Interest Rate Period in order to increase the likelihood of achieving the lowest net interest cost during the term of such Short Term Bonds by providing for a longer Short Term Interest Rate Period. The determination of each Short Term Interest Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Short Term Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Short Term Bonds, or any fact or circumstance relating to the Short Term Bonds or affecting the market for the Short Term Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Short Term Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Borrower, but the Remarketing Agent's determination of the Short Term Interest Rate Periods will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(b) Effective Period. The interest rate for each Short Term Interest Rate Period shall be effective from and including the commencement date of that Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Short Term Interest Rate Periods. Short Term Bonds may bear interest for different Short Term Interest Rate Periods and at different Short Term Rates; provided that all Short Term Bonds with the same Short Term Interest Rate Period shall bear interest at the same Short Term Rate.

(d) Determination Time. During each Short Term Period, each Short Term Rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement of the Short Term Interest Rate Period to which it relates. Notice of each Short Term Rate and of each Short Term Interest Rate Period shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such Short Term Rate or Short Term Interest Rate Period is applicable, by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Short Term Rate and each Short Term Interest Rate Period determined by the Remarketing Agent upon request.

Section 2.08. Long Term Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Long Term Rate, Long Term Interest Rate Periods shall commence on a Long Term Rate Conversion Date or, thereafter, the effective date of a subsequent Long Term Interest Rate Period, and end on a day which is at least 12 months after such Long Term Rate Conversion Date which is the day preceding (i) the effective date of a subsequent Long Term Interest Rate Period, (ii) the Conversion Date on which a different Interest Rate Mode shall become effective or (iii) the Maturity Date for such Bonds; provided that if a Credit Facility or a Liquidity Facility is in effect with respect to such Bonds, each Long Term Interest Rate Period shall not extend to a date beyond the fifth day next preceding the Expiration Date of such Credit Facility or Liquidity Facility.

(b) Effective Period. The interest rate for each Long Term Interest Rate Period shall be effective from and including the commencement of that Long Term Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Determination Time. Each Long Term Rate and the term of each Long Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or prior to the Business Day immediately preceding the commencement of the Long Term Interest Rate Period to which it relates.

(d) Remarketing. The Long Term Rate for each Long Term Interest Rate Period for the Bonds shall be the rate of interest per annum borne by the Bonds which shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the Bonds in question, assuming the Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, as of the date of determination. Notwithstanding the foregoing, the Long Term Rate for a Long Term Interest Rate Period may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such Bonds, after taking into account any premium or discount at which such Bonds are sold by the Remarketing Agent, provided that in connection with selling such Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Bond Trustee and the Borrower that the sale of the Bonds at the Long Term Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds based on the prevailing market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the reasonable judgment of the Remarketing Agent, are otherwise comparable to the Bonds on the commencement date of the Long Term Interest Rate Period;

(ii) The Borrower consents in writing to the sale of the Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of Bonds to be sold at a discount, either (a) a Credit Facility or a Liquidity Facility is in effect with respect to the Bonds and provides for the purchase of such Bonds from the tendering Holders at par or (b) the Borrower agrees to transfer to the Bond Trustee on the commencement date of such Long Term Interest Rate Period, in immediately available funds, for deposit in the Borrower Purchase Account, an amount equal to such discount;

(iv) In the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with any direction included in the Favorable Opinion of Bond Counsel delivered pursuant to subsection (v) below or, if no such direction is included and no other instructions are received by the Remarketing Agent from Bond Counsel related to the use of such premium, then to the Bond Trustee for deposit in the Revenue Fund; and

(v) On or before the commencement date of the Long Term Interest Rate Period with respect to the Series 2024B-2 Bonds, a Favorable Opinion of Bond Counsel to the effect that such determination of the Long Term Rate will not, in and of itself, cause the interest on the Series 2024B-2 Bonds to be included in the gross income of the Holders for federal income tax purposes shall have been received by the Bond Trustee, the Authority, the Borrower and the Remarketing Agent.

Section 2.09. Flexible Rates.

(a) A Flexible Rate Period for the Bonds in the Flexible Mode shall be of a duration from one to 270 calendar days, ending on a day preceding a Business Day or the Maturity Date, as the Remarketing Agent shall determine in accordance with the provisions of this Section; provided, however, that no Flexible Rate Period set after delivery by the Borrower of the notice of the intention to effect a Conversion pursuant to Section 2.15 hereof that has been received by the Remarketing Agent shall extend beyond the Mandatory Purchase Date of the Bonds subject to such Conversion. A Flexible Rate Bond can have a Flexible Rate Period and bear interest at a Flexible Rate, different than another Flexible Rate Bond. The determination of each Flexible Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Flexible Rate Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Flexible Rate Bonds, or any fact or circumstance relating to the Flexible Rate Bonds or affecting the market for the Flexible Rate Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Flexible Rate Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Borrowers, but the Remarketing Agent's determination of the Flexible Rate Periods will be based solely upon the reasonable exercise of such Remarketing Agent's judgment.

(b) By 1:00 p.m., New York City time, on each Flexible Rate Determination Date, the Remarketing Agent, with respect to each Bond in the Flexible Mode which is subject to adjustment on such date, shall determine the Flexible Rate Period then selected for such Bond as described above and shall give notice by Electronic Means to the Bond Trustee and the Borrower, of the Flexible Rate Period, the Mandatory Purchase Date and the Flexible Rate for such Bond. The Remarketing Agent shall make the Flexible Rate and Flexible Rate Period available after 2:00 p.m., New York City time, on each Flexible Rate Determination Date by telephone or Electronic Means to any Beneficial Owner requesting such information.

Section 2.10. FRN Rates.

(a) Interest Rate Period. Whenever Bonds are continuing in an FRN Mode or in the case of a Conversion to the FRN Mode from another Interest Rate Mode, the initial FRN Interest Rate Period for such FRN Bonds shall commence on the FRN Rate Conversion Date and end on the last day of such FRN Interest Rate Period, which shall be the day immediately preceding the next FRN Rate Adjustment Date. At least one Business Day prior to the FRN Rate Conversion Date, the Borrower, in consultation with the Remarketing Agent, shall determine the FRN Index, the FRN Index Percentage, the FRN Rate Adjustment Date, the length of the FRN Interest Rate Period that begins on such FRN Rate Conversion Date, the dates during which such FRN Bonds may be called for optional redemption if different than as prescribed in Section 4.01(e) and the FRN Rate Determination Date for such FRN Interest Rate Period and shall give Electronic Notice of such to the Bond Trustee and the Borrower. The FRN Spread shall be determined by the Remarketing Agent in conjunction with the Borrower and shall be the spread which, when added to or subtracted from the product of the FRN Index multiplied by the FRN Index Percentage, will result in the minimum FRN Spread which, in the judgment of the Remarketing Agent under prevailing market conditions for corporate securities in the judgment of the Remarketing Agent, will result in the remarketing of such FRN Bonds in the new FRN Interest Rate Period at a purchase price equal to their principal amount.

(b) Calculation of FRN Rate. Each FRN Rate shall be determined by the Calculation Agent from information provided by the Remarketing Agent by 5:00 p.m., New York City time, on the FRN Rate Determination Date to which it relates. Notice of each FRN Rate shall be given by the Calculation Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such interest FRN Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on such FRN Rate Determination Date. The Bond Trustee shall inform the Holders of FRN Bonds of each FRN Rate upon request.

(c) FRN Bonds Election. In the case of a Conversion to an FRN Rate from another Interest Rate Mode or the continuation of Bonds as FRN Bonds in a new FRN Interest Rate Period, the Borrower shall, prior to such FRN Rate Conversion Date or continuation, elect by Electronic Notice to the Bond Trustee, the Remarketing Agent and the Authority that such FRN Bonds be either FRN Rate Hard Put Bonds or FRN Rate Soft Put Bonds, and the related FRN Rate Mandatory Purchase Date with respect to such election.

Section 2.11. VRO Rates.

(a) Determination of Interest Rates During VRO Interest Rate Period.

(i) During each VRO Interest Rate Period, the Bonds shall bear interest at VRO Rates, which shall be determined by the applicable Remarketing Agent on each Business Day during the VRO Interest Rate Period by 6:00 p.m., New York City time for applicability on the following Business Day.

(ii) Each VRO Rate for any day shall be the rate of interest per annum determined by the applicable Remarketing Agent on or before 6:00 p.m., New York City time, on the previous Business Day to be the minimum interest rate which, if borne by Bonds, would enable the applicable Remarketing Agent (assuming all such Bonds were then available for sale and based on an examination of tax exempt obligations comparable, in the judgment of the Remarketing Agent, to such series of Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to sell all of such Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof; provided that the VRO Rate shall not exceed the Maximum Interest Rate. In determining the VRO Rate, the Remarketing Agent shall consider (but not be limited to considering) the following factors in determining prevailing market conditions: existing short term tax exempt market rates for securities, indices of such short term rates and the existing market supply and demand for securities bearing such short term rates, existing yield curves for short term and long term securities for securities of issuers of credit quality comparable to the Bonds bearing interest at the VRO Rate, general economic conditions, industry economic and financial condition as the Remarketing Agent, in its sole discretion, shall determine to be relevant. The VRO Rate for any day which is not a Business Day shall be the same as the VRO Rate for the immediately preceding Business Day. The determination of the VRO Rate by the Remarketing Agent shall be conclusive and binding on the Authority, the Borrower, the Bond Trustee and the Bondholders.

(iii) All of the Bonds in the VRO Interest Rate Period shall at all times bear the same rate of interest.

(iv) If for any reason a VRO Rate is not so established on any Business Day by the applicable Remarketing Agent, the VRO Rate for such Business Day to but excluding the next Business Day shall be the same as the VRO Rate for the immediately preceding Business Day, and such rate shall continue until the earlier of (A) the date on which such Remarketing Agent determines a new VRO Rate for such Bonds or (B) the fifth consecutive Business Day succeeding the first such Business Day on which such VRO Rate is not determined by such Remarketing Agent. In the event that a VRO Rate shall be held to be invalid or unenforceable by a court of law, or the applicable Remarketing Agent fails to determine a new VRO Rate for a period of five consecutive Business Days succeeding such Business Day as described in clause (B) of the immediately preceding sentence, all such Bonds shall bear interest at the VRO Step Up Rate from the applicable Business

Day until the Business Day following the date on which a new VRO Rate is established by the Remarketing Agent that is, in any case, valid and enforceable under applicable law.

(b) Optional Tender during VRO Interest Rate Period; Remarketing.

(i) During any VRO Interest Rate Period, the Holder of a Bond (or, if the book-entry only system described in Section 2.21 is in effect, the participant to whose account such a Bond is credited) may, at its option, tender such Bond or any portion thereof in an Authorized Denomination (provided that the amount of any such Bond not to be purchased shall also be in an Authorized Denomination) for purchase by delivering an irrevocable written notice (a "VRO Interest Rate Period Tender Notice") to the Bond Trustee and the Remarketing Agent on any Business Day prior to 5:00 p.m., New York City time (the "VRO Interest Rate Period Tender Notice Date"). A VRO Interest Rate Period Tender Notice shall state the principal amount of such Bonds to be purchased (the "VRO Interest Rate Period Designated Amount"). The giving of a VRO Interest Rate Period Tender Notice by a Bondholder or Participant with respect to a Bond shall constitute an irrevocable tender for purchase of the VRO Interest Rate Period Designated Amount of such Bonds effective on the fifth Business Day following the VRO Interest Rate Period Tender Notice Date (the "VRO Interest Rate Period Purchase Date"); provided, however, that if a VRO Interest Rate Period Tender Notice is not received by the Remarketing Agent prior to 5:00 p.m., New York City time, on any Business Day, the VRO Interest Rate Period Tender Notice Date will be deemed to be the next succeeding Business Day.

(ii) Upon receipt of a VRO Interest Rate Period Tender Notice, the Remarketing Agent shall offer for sale, and use its best efforts to sell, the VRO Interest Rate Period Designated Amount of Bonds in the VRO Rate with respect to which a VRO Interest Rate Period Tender Notice has been received by the Remarketing Agent ("VRO Interest Rate Period Tendered Bonds") at a price equal to par plus unpaid interest accrued until but excluding the VRO Interest Rate Period Purchase Date (the "VRO Interest Rate Period Purchase Price") for purchase on the VRO Interest Rate Period Purchase Date.

(iii) If multiple Holders of Bonds deliver VRO Interest Rate Period Tender Notices on different VRO Interest Rate Period Tender Notice Dates, there will be multiple VRO Interest Rate Period Purchase Dates and the Remarketing Agent shall first attempt to remarket VRO Interest Rate Period Tendered Bonds having the earliest VRO Interest Rate Period Purchase Date.

(iv) If the Remarketing Agent successfully remarkets the VRO Interest Rate Period Tendered Bonds by identifying a purchaser for such VRO Interest Rate Period Tendered Bonds during the period beginning on the VRO Interest Rate Period Notice Date for such VRO Interest Rate Period Tendered Bonds and ending on the Business Day immediately preceding the VRO Interest Rate Period Purchase Date for such VRO Interest Rate Period Tendered Bonds (a "VRO Interest Rate

Period Remarketing Window”), the Remarketing Agent shall give notice (a “VRO Interest Rate Period Remarketing Notice”) to Holders of such VRO Interest Rate Period Tendered Bonds that a purchaser has been identified for a purchase of such VRO Interest Rate Period Tendered Bonds on the VRO Interest Rate Period Purchase Date.

(v) For payment of the VRO Interest Rate Period Purchase Price on the VRO Interest Rate Period Purchase Date, VRO Interest Rate Period Tendered Bonds which have been successfully remarketed must be delivered at or prior to 11:00 a.m., New York City time, on the VRO Interest Rate Period Purchase Date to the Remarketing Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent. If VRO Interest Rate Period Tendered Bonds are delivered after that time, the VRO Interest Rate Period Purchase Price will be paid on the Business Day immediately following such delivery.

(c) VRO Interest Rate Period Failed Remarketing Event.

(i) If, for any reason, any VRO Interest Rate Period Tendered Bonds are not successfully remarketed during a VRO Interest Rate Period Remarketing Window (a “VRO Interest Rate Period Failed Remarketing Event”), all VRO Interest Rate Period Tendered Bonds shall continue to be owned by their respective Holders and no VRO Interest Rate Period Tendered Bonds shall be tendered or purchased on their respective VRO Interest Rate Period Purchase Dates and such failure shall not constitute an Event of Default. Upon the occurrence of a VRO Interest Rate Period Failed Remarketing Event, (A) the Remarketing Agent shall notify the Bond Trustee and the Borrower, (B) all Bonds in the VRO Interest Rate Period shall become subject to mandatory redemption on the VRO Interest Rate Period Special Mandatory Redemption Date, (C) the Remarketing Agent will no longer determine the VRO Rate on a daily basis, and (D) all Bonds in the VRO Interest Rate Period shall bear interest at the VRO Step Up Rate until the earliest to occur of (1) the VRO Interest Rate Period Special Mandatory Redemption Date, (2) the optional redemption, at the direction of the Borrower, of all the Bonds in the VRO Interest Rate Period, (3) the date on which all of the Bonds in the VRO Interest Rate Period are successfully remarketed, (4) the redemption of each Bond in the VRO Interest Rate Period, and (5) the date on which a Conversion of the Bonds from the VRO Mode to a different Interest Rate Mode shall occur.

(ii) Following the occurrence of a VRO Interest Rate Period Failed Remarketing Event, the Remarketing Agent shall offer for sale, and use its best efforts to sell, all Bonds in the VRO Interest Rate Period at a price equal to par plus unpaid interest accrued to but excluding the expected VRO Interest Rate Period Remarketing Date (as defined below) (such price, the “VRO Interest Rate Period Remarketing Date Purchase Price”). Upon identifying a purchaser or purchasers for all (but not less than all) of the Bonds (but subject to the immediately following paragraph), the Remarketing Agent shall give a VRO Interest Rate Period Remarketing Notice to the Bond Trustee, the Authority, the Borrower and all

Holders of Bonds that a purchaser or purchasers have been identified for the purchase of the Bonds on the date set forth in such VRO Interest Rate Period Remarketing Notice (the “VRO Interest Rate Period Remarketing Date”), which VRO Interest Rate Period Remarketing Date shall be the fifth Business Day following the date of delivery of the VRO Interest Rate Period Remarketing Notice, and all Bonds shall be subject to mandatory tender for purchase at the VRO Interest Rate Period Remarketing Date Purchase Price. Upon receipt, the Bond Trustee shall file or cause to be filed such VRO Interest Rate Period Remarketing Notice with EMMA and DTC.

(iii) For payment of the VRO Interest Rate Period Remarketing Date Purchase Price on the VRO Interest Rate Period Remarketing Date, Holders of all Bonds in the VRO Interest Rate Period must deliver Bonds at or prior to 11:00 a.m., New York City time, on the VRO Interest Rate Period Remarketing Date to the Remarketing Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent, executed in blank by the Holder thereof or by the Holder’s duly authorized attorney, with such signature guaranteed by a member of the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Remarketing Agent. If VRO Interest Rate Period Tendered Bonds are delivered after that time, the VRO Interest Rate Period Remarketing Date Purchase Price will be paid on the immediately following Business Day.

(iv) On the Business Day following the VRO Interest Rate Period Remarketing Date, the Remarketing Agent shall resume resetting the interest rate on such Bonds pursuant to the provisions set forth in the Bonds as described in Section 2.11(a) and the Bonds will no longer be subject to mandatory redemption on the VRO Interest Rate Period Special Mandatory Redemption Date.

Section 2.12. Window Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Window Rate, each Window Rate shall be in effect for each Window Interest Rate Period, which shall commence on and include Thursday and end on and include the next succeeding Wednesday, unless such Window Interest Rate Period ends on a day other than Wednesday, in which event the last Window Rate for such Window Interest Rate Period will apply to the Window Interest Rate Period commencing on and including the Thursday preceding the last day of such Window Interest Rate Period and ending on and including the last day of such Window Interest Rate Period; provided, however, that in the case of a Conversion to a Window Mode from another Interest Rate Mode, the initial Window Interest Rate Period for the Bonds shall commence on the such Conversion Date.

(b) Calculation of Window Rate. Each Window Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on the applicable Window Rate Determination Date, which Window Rate shall be equal to the SIFMA Index on such Window Rate Determination Date plus the Window Rate Spread. The Calculation Agent shall furnish each Window Rate so determined to the Bond Trustee, the Remarketing

Agent, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no later than the Business Day next succeeding the date of determination.

The sum of the SIFMA Index plus the Initial Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such Bonds on the applicable Conversion Date at a price equal to the principal amount thereof. During a Window Period with respect to the Bonds, the Remarketing Agent may (i) with the consent of the Borrower, increase the Window Rate Spread with respect to such Bonds effective as of any Window Rate Optional Purchase Date, any Borrower Elective Purchase Date or any Window Rate Mandatory Purchase Date, or (ii) reduce the Window Rate Spread effective as of any Borrower Elective Purchase Date or any Window Rate Mandatory Purchase Date. The sum of the SIFMA Index plus the revised Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of tax exempt obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such Bonds on the effective date of the revised Window Rate Spread at a price equal to the principal amount thereof. A revised Window Rate Spread shall apply to all Bonds bearing interest at a Window Rate as of the effective date of the revised Window Rate Spread.

The Remarketing Agent shall give Electronic Notice of the revised Window Rate Spread to the Bond Trustee not later than the second Business Day after the effective date of such revised Window Rate Spread. The Bond Trustee shall give notice of such revised Window Rate Spread by Electronic Notice, confirmed by first class mail, to the Holders, with a copy to the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Spread from the Remarketing Agent. If a court holds that the Window Rate set for any Window Interest Rate Period is invalid, illegal or unenforceable or if the SIFMA Index is not available for any week, the Window Rate for such Window Interest Rate Period shall be determined by the Remarketing Agent and shall be equal to a rate per annum equal to 85% of the interest rate on 30 day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on such Window Rate Determination Date, plus the Window Rate Spread. The SIFMA Index shall be used in the calculation of the Window Rate Spread whenever the SIFMA Index is available.

Section 2.13. Direct Purchase Rates.

(a) Determination of Direct Purchase Rates. For any Direct Purchase Period, interest on the Bonds shall be payable on each Interest Payment Date for each applicable Interest Accrual Period commencing on the Interest Accrual Date preceding such Interest Payment Date. For any Direct Purchase Period, the Direct Purchase Rate shall be determined by utilizing the Applicable Spread, the Applicable Factor, if applicable, and the

Direct Purchase Index for such Direct Purchase Period, all in a manner determined by the Direct Purchaser or the Market Agent prior to the Conversion to any Direct Purchase Period or as otherwise set forth in a Supplemental Bond Indenture or in the applicable Bondholder Agreement (the Direct Purchase Rate, unless otherwise established in a Supplemental Bond Indenture or in a Bondholder Agreement, to be the sum of (i) the Applicable Factor, if applicable, multiplied by the Direct Purchase Index plus (ii) the Applicable Spread, per annum). If required by a Supplemental Bond Indenture or in a Bondholder Agreement, during an Event of Default the Bonds in a Direct Purchase Period shall bear interest at the Default Rate all as further described in a Supplemental Bond Indenture or the applicable Bondholder Agreement. Additionally, if required by a Supplemental Bond Indenture or in a Bondholder Agreement following a Determination of Taxability, the Bonds in a Direct Purchase Period shall bear interest at a Taxable Rate (as defined in a Supplemental Bond Indenture or a Bondholder Agreement) all as further described in a Supplemental Bond Indenture or applicable Bondholder Agreement. For Direct Purchase Bonds bearing interest at a Direct Purchase Index Rate, the Calculation Agent shall determine the Direct Purchase Rate on each Direct Purchase Rate Determination Date to become effective on the immediately succeeding Index Reset Date during the Direct Purchase Period, and interest shall accrue at such rate for each day during the Interest Accrual Period commencing on the Index Reset Date. The Direct Purchase Index Rate shall be rounded, if necessary, to the fifth decimal place. For each Direct Purchase Period, prior to the commencement of such Direct Purchase Period, the Direct Purchaser or the Market Agent shall also determine the Direct Purchase Period, the Interest Accrual Period, the Direct Purchase Rate Mandatory Purchase Date, the Direct Purchase Period Earliest Redemption Date (if applicable), the Term Out Period (if applicable), and the Term Out Rate (if applicable). During each Direct Purchase Period, the Direct Purchase Bonds shall be subject to optional redemption as provided in Section 4.01(h) hereof.

(b) Conversion to Direct Purchase Period. Subject to Section 2.15, at any time, the Borrower, by Electronic Notice to the Bond Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, and the Remarketing Agent, may direct that all, but not less than all, Bonds shall be converted to bear interest at a Direct Purchase Rate. Such direction of the Borrower shall specify the proposed Conversion Date, which shall be (1) a Business Day not earlier than the twentieth (20th) day following receipt by the Bond Trustee of such direction, (2) in the case of a Conversion from a Long Term Period, the Business Day immediately following the last day of the then current Long Term Period, and (3) in the case of a Conversion from a Fixed Period, only on any date during the period such Fixed Bonds are subject to optional redemption pursuant to Section 4.01(g) hereof. In addition, with respect to the Series 2024B-2 Bonds, such direction shall be accompanied by a letter of Bond Counsel that it expects to be able to render a Favorable Opinion of Bond Counsel on the proposed Conversion Date. In addition, such direction shall specify the duration of the Direct Purchase Period immediately following the proposed Conversion Date.

(c) Notice of Conversion to Direct Purchase Mode. The Bond Trustee shall give notice of a Conversion to a Direct Purchase Mode to the Holders of the Bonds in accordance with Section 2.15(f)(iii) hereof.

(d) Direct Purchase Bonds; Bond Indenture Provisions. The following shall apply during each Direct Purchase Period:

- (i) The Direct Purchase Bonds shall be in Authorized Denominations.
- (ii) In a Direct Purchase Period, if directed by the Direct Purchaser, the Direct Purchase Bonds shall be registered in the name of “Cede & Co.,” as nominee of the Securities Depository and shall be evidenced by one Bond certificate for each interest rate and Maturity Date; provided that failure of the Direct Purchaser to provide such notice shall not affect the obligations of the Borrower to pay such amounts pursuant to the terms of this Bond Indenture and the Loan Agreement.
- (iii) Unless otherwise directed by the Direct Purchaser, the Borrower shall cause physical delivery of the Direct Purchase Bonds to the Direct Purchaser. If applicable, each Bond bearing interest at the Direct Purchase Rate shall contain a legend indicating that the transferability of such Bond is subject to the restrictions set forth in this Bond Indenture.
- (iv) No modifications or amendments to, or waivers of, the terms of the Direct Purchase Bonds, this Bond Indenture, the Bondholder Agreement, or any related documents, by the Direct Purchaser shall be made or granted without the receipt by the Authority, the Bond Trustee and the Borrower of a Favorable Opinion of Bond Counsel.
- (v) As provided in Section 7.14 hereof, and subject to the provisions of the Master Indenture, during any period when the Direct Purchase Bonds are in the Direct Purchase Mode, the Direct Purchaser, as the sole Holder of such Direct Purchase Bonds, shall have the right to enforce the rights and remedies provided to the Bond Trustee hereunder and to control all proceedings relating to the exercise of such rights and remedies in its own name and not subject to the restrictions contained herein.

Section 2.14. Fixed Rates.

(a) Interest Rate Period.

- (i) During the Initial Fixed Period with respect to the Bonds, the Bonds shall contain substantially the terms recited in the form of Bond attached hereto as Exhibit A and in Exhibit B attached hereto.
- (ii) During each subsequent Fixed Period, the Bonds shall bear interest at the Fixed Rate. Whenever Bonds are to bear interest accruing at a Fixed Rate, the Fixed Rate shall commence on the Issuance Date with respect to such Bonds, or a Fixed Rate Conversion Date, as the case may be, and any Fixed Period shall extend to the Maturity Date of such Bonds subject to the ability of the Borrower to designate a Conversion Date for such Fixed Bonds pursuant to the provisions of Section 2.15.

(b) Determination Time. Interest on the Bonds in a Fixed Period other than the Initial Fixed Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or before the Business Day immediately preceding the Fixed Rate Conversion Date. Notice of each Fixed Rate shall be given by the Remarketing Agent to the Bond Trustee and the Borrower by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Fixed Rate determined by the Remarketing Agent upon request of any such Holder.

(c) Remarketing. The Fixed Rate for the Bonds in a Fixed Period other than the Initial Fixed Period shall be the rate or rates of interest per annum borne by the Bonds which shall be the lowest rate or rates of interest that, in the judgment of the Remarketing Agent, would cause such Bonds to have a purchase price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that bear interest at a fixed rate, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds as of the date of determination. Notwithstanding the foregoing, the Fixed Rate may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such Bonds, after taking into account any premium or discount at which such Bonds are sold by the Remarketing Agent; provided that in connection with selling such Bonds at a premium or discount:

- (i) The Remarketing Agent certifies to the Authority, the Bond Trustee and the Borrower that the sale of the Bonds at the Fixed Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds based on the market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the reasonable judgment of the Remarketing Agent, are otherwise comparable to the Bonds based on prevailing market conditions on the commencement date of the Fixed Period;
- (ii) The Borrower consents in writing to the sale of the Bonds by the Remarketing Agent at such premium or discount;
- (iii) In the case of Bonds to be sold at a discount, either (A) a Credit Facility or a Liquidity Facility is in effect with respect to the Bonds at the time of the Fixed Rate Conversion Date and provides for the purchase of such Bonds from the tendering Holders at par or (B) if no Credit Facility or Liquidity Facility is in effect with respect to the Bonds at the time of the Fixed Rate Conversion Date, the Borrower agrees to transfer to the Bond Trustee on the Fixed Rate Conversion Date, in immediately available funds, for deposit in the Borrower Purchase Account, an amount equal to such discount;
- (iv) In the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with any direction included in the Favorable Opinion of Bond Counsel delivered pursuant to subsection (v) below or, if no such direction is included and no other instructions

are received by the Remarketing Agent from Bond Counsel related to the use of such premium, then to the Bond Trustee for deposit in the Revenue Fund; and

(v) On or before the Fixed Rate Conversion Date with respect to the Series 2024B-2 Bonds, a Favorable Opinion of Bond Counsel to the effect that such determination of the Fixed Rate will not, in and of itself, cause the interest on the Series 2024B-2 Bonds to be included in the gross income of the Holders for federal income tax purposes shall have been received by the Bond Trustee, the Authority, the Borrower and the Remarketing Agent.

Section 2.15. Conversions.

(a) In the event that the Borrower shall elect to effect a Conversion of the Bonds (or a portion of the Bonds), then the written Conversion direction furnished by the Borrower shall be made by Electronic Notice. Notwithstanding anything in this Bond Indenture to the contrary, any such Conversion may be with respect to all or a portion of the Bonds. Any Bonds to be converted in part shall be selected randomly, and the portion of the Bonds to be converted shall be re-designated as a new Series to distinguish such portion from the portion of Bonds not to be converted. All references herein to any Conversion of Bonds shall refer to the portion of Bonds that is subject to Conversion in the event that less than all of such Bonds are subject to Conversion. The following shall constitute a Conversion for purposes of this Section 2.15: (i) a conversion from any Direct Purchase Interest Rate Period to the next Direct Purchase Interest Rate Period; (ii) a conversion of FRN Bonds into a new FRN Interest Rate Period; (iii) a conversion from one Fixed Period to a new Fixed Period; (iv) a conversion from any Short Term Interest Rate Period to a new Short Term Interest Rate Period; (v) a conversion from any Long Term Interest Rate Period to a new Long Term Interest Rate Period; (vi) a conversion from one Flexible Rate Period to a new Flexible Rate Period; and (vii) a conversion from any Interest Rate Mode to a different Interest Rate Mode.

(b) Notwithstanding anything in this Article II, in connection with any proposed Conversion of Bonds (or a portion of the Bonds, as applicable) on a Purchase Date that is not otherwise a Mandatory Purchase Date, the Borrower shall have the right to deliver to the Bond Trustee, the Authority, the Remarketing Agent, if any, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, on or prior to 10:00 a.m., New York City time, on the effective date of any such Conversion, a notice to the effect that the Borrower elects to rescind its election to implement any such Conversion. If the Borrower rescinds its election to implement any such Conversion, then such Conversion shall not occur, the mandatory tender shall not occur (unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (viii), (ix) and (x) hereof), and, except as otherwise provided herein, the Bonds shall continue to bear interest in the current Interest Rate Mode and the current interest rate in effect immediately prior to such proposed Conversion Date.

(c) No Conversion shall take effect under this Bond Indenture unless each of the following conditions and the conditions set forth in paragraph (f) of this Section 2.15, to the extent applicable, shall have been satisfied.

(i) In the case of any Conversion with respect to which there shall be no Liquidity Facility or Credit Facility in effect to provide funds for the purchase of Bonds to be converted on the Conversion Date, the remarketing proceeds and funds in the Borrower Purchase Account and available on the Conversion Date shall not be less than the amount required to purchase all of the Bonds to be converted at the applicable Purchase Price.

(ii) In the case of any Conversion of Bonds to any Interest Rate Mode (except a Direct Purchase Period), prior to the Conversion Date the Borrower shall have appointed a Remarketing Agent and there shall have been executed and delivered a Remarketing Agreement.

(iii) If such Conversion is with respect to less than all of the Bonds, the Bonds shall be designated as separate sub-Series as provided in Section 2.01 hereof.

(d) If, on a Conversion Date, any condition precedent to a proposed Conversion shall not have been satisfied, then such Conversion shall not occur and the Bonds or portion thereof to have been converted shall continue to bear interest in the current Interest Rate Mode and at the current interest rate as in effect immediately prior to such proposed Conversion Date, and the Bonds or portion thereof, subject to and unless otherwise provided in Section 4.18 hereof, shall not be subject to mandatory tender for purchase on the proposed Conversion Date, unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (x) hereof.

(e) Notwithstanding anything in this Article II to the contrary, in connection with any Conversion that would require the mandatory tender for purchase of Bonds at a Purchase Price greater than the principal amount thereof, the Borrower, as a condition to implementing such Conversion, shall deliver to the Bond Trustee on or prior to the Conversion Date, immediately available funds for the purpose of paying such premium; provided however, if a Liquidity Facility or Credit Facility is then in effect with respect to such Bonds either (A) such Liquidity Facility or Credit Facility must provide for the payment of such premium on such Conversion Date, or (B) such premium shall be paid with Eligible Moneys on such Conversion Date.

(f) The Bonds may be converted in whole or in part in Authorized Denominations and in a minimum principal amount of \$5,000,000. Any Bonds subject to such Conversion may be assigned a new CUSIP number and shall be designated or numbered to distinguish each sub-Series of Bonds from another sub-Series. Bonds may be converted as follows:

(i) Conversion Date. Subject to the following provisions of this paragraph, all Conversion Dates shall occur on any date on which such Bonds are subject to optional redemption pursuant to Section 4.01(b), (c), (d), (f) or (g), as applicable; provided, however, that (A) for a Conversion of Long Term Bonds, such Conversion shall only occur on a Long Term Rate Mandatory Purchase Date on which such Long Term Bonds are subject to purchase pursuant to Section

4.07(a)(iii) or on any date when the Long Term Bonds are subject to optional redemption pursuant to Section 4.01(g) hereof, (B) for a Conversion of FRN Bonds such Conversion shall only occur on an FRN Rate Mandatory Purchase Date on which such FRN Bonds are subject to purchase pursuant to Section 4.07(a)(v) hereof or any date such FRN Bonds are subject to optional redemption pursuant to Section 4.01(e), and (C) for a Conversion of Direct Purchase Bonds, such Conversion shall only occur on a Direct Purchase Rate Mandatory Purchase Date pursuant to Section 4.07(a)(ix) or on any other date specified in a Supplemental Bond Indenture or in a Bondholder Agreement. Interest shall accrue on such Bonds at the new interest rate commencing on such Conversion Date, whether or not a Business Day. Any action required to be taken on such Conversion Date, if such day is not a Business Day, may be taken on the next succeeding Business Day as if it had occurred on such Conversion Date.

(ii) Notice of Intent to Convert. The Borrower shall give written notice of its intent to exercise its option to implement any such Conversion to the Authority, the Remarketing Agent, the Bond Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the affected Bonds by Electronic Notice not fewer than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Bond Trustee is required to provide notice of Conversion to the Holders. The Borrower shall give written notice of its intent to exercise its option to implement any such Conversion to the Direct Purchaser, if any, with respect to the affected Bonds by Electronic Means not fewer than the number of days set forth in the applicable Supplemental Indenture or Bondholder Agreement. Such notice shall specify the proposed Conversion Date (as well as the sub-Series of Bonds to which the Conversion will be applicable).

(iii) Notice of Conversion and Mandatory Tender. Not fewer than (A) twenty (20) days prior to the proposed Conversion Date, for any Conversion of Fixed Bonds; and (B) fifteen (15) days prior to the proposed Conversion Date, for any Conversion of any other Bonds, the Bond Trustee shall give Electronic Notice, confirmed by first class mail, of the Conversion and, if applicable, of the mandatory tender of such Bonds to the Holders of such Bonds at their addresses as they appear on the Registration Books as of the date Electronic Notice of the election is received by the Bond Trustee from the Borrower.

(iv) Favorable Opinion of Bond Counsel. Any Conversion of the Series 2024B-2 Bonds pursuant to this Section 2.15 shall be subject to the conditions that, on or before the Conversion Date, the Borrower shall have delivered to the Authority, the Bond Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, a Favorable Opinion of Bond Counsel.

(v) Conditions to Conversion. Notwithstanding the Borrower's delivery of notice of the exercise of its option to effect a Conversion, such Conversion shall not take effect if:

(A) the Borrower withdraws such notice of the exercise of its option to effect Conversion not later than the date as provided by Section 2.15(b) or the date on which the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable, is to be determined, if permitted by Section 2.15(b);

(B) the Remarketing Agent fails to determine, when required, the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable;

(C) the notice to Holders of Bonds of the Conversion is not given when required;

(D) the Borrower fails to deliver to the Authority, the Bond Trustee and the Remarketing Agent the Favorable Opinion of Bond Counsel referred to above; or

(E) sufficient funds are not available by 2:00 p.m., New York City time, on the Conversion Date to purchase all of the Bonds required to be purchased on such Conversion Date.

(vi) Serialization Upon Fixed Rate Conversion. On and after the Fixed Rate Conversion Date, Bonds converted to the Fixed Rate Mode or for a subsequent Fixed Period shall mature on the same Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if any, as set forth in this Bond Indenture for the prior Interest Rate Mode or Fixed Period, as applicable, unless on the date the Remarketing Agent determines the Fixed Rate, the Remarketing Agent also determines, in its judgment, that such Bonds would bear a lower effective net interest cost based on the market for and the relative yields of the Bonds and other securities that bear interest at a fixed rate, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds if such Bonds were serial bonds, term bonds or a combination of serial bonds and term bonds with the Maturity Dates (or Sinking Fund Installments) and principal amounts that match the Maturity Dates (or Sinking Fund Installments) in effect prior to such Fixed Rate Conversion Date, in which event such Bonds shall become serial bonds, term bonds, or a combination of serial bonds and term bonds with such Maturity Dates (or Sinking Fund Installments) and principal amounts consistent with such determination and shall bear separate Fixed Rates for each Maturity Date. Notwithstanding the foregoing, the Borrower may deliver to the Bond Trustee a schedule of revised Maturity Dates and maturity amounts, including Sinking Fund Installments, for the Bonds then being converted to the Fixed Mode or from one Fixed Mode to another Fixed Mode; provided that, with respect to any such conversion of the Series 2024B-2 Bonds, such schedule be accompanied by a Favorable Opinion of Bond Counsel addressed to the Authority and the Bond Trustee.

(vii) Changes to Serial Maturity Dates in Connection with a Conversion from the Fixed Mode. Upon the Conversion of the Bonds from the Fixed Mode, the maturity date for any serial maturities of the Bonds shall become the final Maturity Date for such Bonds and principal amounts of such serial maturities of the

Bonds while operating in the prior Fixed Mode shall become Sinking Fund Installments. All existing Sinking Fund Installments shall remain in effect and any term bond maturity installment (other than the installment due on the final Maturity Date) shall become a Sinking Fund Installment. The final Maturity Date of the Bonds and the amount of principal due on such final Maturity Date will not be changed. Notwithstanding the foregoing, the Borrower may deliver to the Bond Trustee a schedule of revised Maturity Dates and maturity amounts, including Sinking Fund Installments, for the Bonds then being converted from the Fixed Mode; provided that, with respect to any such conversion of the Series 2024B-2 Bonds, such schedule be accompanied by a Favorable Opinion of Bond Counsel addressed to the Authority and the Bond Trustee.

Section 2.16. Execution and Authentication. The Bonds issued under this this Bond Indenture shall be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in the form attached hereto as Exhibit A, as applicable, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds issued hereunder.

The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its President, the Vice President or Secretary or any other Authorized Representative of the Authority. In case any Authorized Representative of the Authority whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such Authorized Representative before the authentication of such Bonds, such signature or the facsimile thereof shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office or as a member or representative of the Authority until authentication; and any Bond may be signed on behalf of the Authority by such persons as are at the time of execution of such Bond proper officers, members or representatives of the Authority, even though at the date of this Bond Indenture, such person was not such an officer, member or representative.

Section 2.17. Registration, Transfer and Exchange. The Bond Trustee is hereby appointed “bond registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided. The Bond Trustee shall cause to be kept at its Corporate Trust Office the Registration Books, in which, subject to such reasonable regulations as it may prescribe, the Bond Trustee shall provide for the registration, transfer and exchange of Bonds as herein provided.

Bonds may be transferred or exchanged only upon the Registration Books maintained by the Bond Trustee as provided in this Section. Upon surrender for transfer or exchange of any Bond at the Corporate Trust Office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity of any Authorized Denominations and of a like aggregate principal amount.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Trustee, as bond registrar) be duly endorsed, or be accompanied by a written instrument of transfer and such other documentation as may be requested by the Bond Trustee in form satisfactory to the Bond Trustee, as bond registrar, duly executed by the Owner thereof or his attorney or legal representative duly authorized in writing.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid special limited obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Bond Indenture, as the Bonds surrendered upon such transfer or exchange.

Direct Purchase Bonds may be transferred without limitation to any affiliate of the Direct Purchaser or to a trust or custodial arrangement established by the Direct Purchaser or any affiliate of the Direct Purchaser, each of the Holders of which is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act, subject to the limitations, if any, set forth in the Bondholder Agreement. Direct Purchase Bonds may also be transferred to a purchaser (other than an affiliate of the Direct Purchaser or a trust or custodial arrangement as described in the preceding sentence) if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the Borrower and the Bond Trustee by such transferor, and (ii) such purchaser shall have delivered to the Borrower, the Authority, the Bond Trustee and the transferor an investor letter executed by a duly authorized officer of such purchaser; provided that each such purchaser (as certified in such investor letter) shall be (A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such transfer. Additionally, the transferability of Direct Purchase Bonds shall be subject to any further restrictions set forth in the applicable Bondholder Agreement. The Bond Trustee has no duty or obligation to confirm whether or not the requirements set forth above have been satisfied in connection with any transfer of the Bonds.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Bond Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Bond Trustee for making any transfer or exchange and the expense of any bond printing necessary to affect any such transfer or exchange shall be paid by the Borrower. In the event any Registered Owner fails to provide a certified taxpayer identification number to the Bond Trustee, the Bond Trustee may impose a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Bond Trustee from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The Bond Trustee shall not be required to (a) transfer or exchange any Bond (other than a Bond tendered for purchase under Section 4.06, 4.07, 4.08 or 4.09 hereof) during a period beginning 15 days before the day of the mailing of a notice from the Bond Trustee to the Owners of redemption of such Bond and ending at the close of business on the fifth Business Day after such mailing, or (b) transfer or exchange any Bond so selected for redemption in whole or in part,

during a period beginning at the opening of business on any Record Date for such Bonds and ending at the close of business on the relevant Interest Payment Date therefor.

The Person in whose name any Bond is registered on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes, except as otherwise provided in this Bond Indenture when a book-entry system is in effect for the Bonds, and payment of or on account of the principal and Redemption Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond Trustee will keep the Registration Books on file at its Corporate Trust Office, which shall include a list of the names and addresses of the last known Owners of all Bonds and the serial numbers of such Bonds held by each of such Owners. At reasonable times and under reasonable regulations established by the Bond Trustee, the list may be inspected and copied by the Authority, the Borrower, or the Owners of 10% in Outstanding principal amount of the Bonds or the authorized representative thereof, provided that the ownership of such Owner and the authority of any such designated representative shall be evidenced to the satisfaction of the Bond Trustee.

The transferor of a Bond shall also provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.18. Reserved.

Section 2.19. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Trustee, or the Bond Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Authority and the Bond Trustee such security or indemnity as may be required by the Bond Trustee to save each of them harmless, then, in the absence of notice to the Bond Trustee that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and the Bond Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same principal amount, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the Authority and the Bond Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Bond, shall constitute an original additional contractual obligation of the Authority, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Bond Indenture equally and ratably with all other Outstanding Bonds.

Section 2.20. Cancellation of Bonds. All Bonds surrendered to the Bond Trustee for payment, redemption, transfer, exchange or replacement shall be promptly cancelled by the Bond Trustee. The Authority or the Borrower may at any time deliver to the Bond Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Authority or the Borrower may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bond Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Bond Indenture. All cancelled Bonds held by the Bond Trustee shall be destroyed and disposed of by the Bond Trustee in accordance with applicable record retention requirements. The Bond Trustee shall execute and deliver to the Authority and the Borrower a certificate describing the Bonds so cancelled.

Section 2.21. Use of Securities Depository. Notwithstanding any provision of this Bond Indenture to the contrary, but subject to Section 2.13(d) hereof during the Direct Purchase Period when the Bonds may be in definitive certificated form registered in the name of the Direct Purchaser until otherwise directed by the Direct Purchaser, it is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein, and the ownership of each such Bond shall be registered on the Registration Books in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Authority and the Bond Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations.

With respect to Bonds registered in the Registration Books in the name of Cede & Co., as nominee of DTC, the Authority and the Bond Trustee shall have no responsibility or obligation to any broker dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Authority and the Bond Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., any Depository Participant or any Indirect Participant with respect to the ownership interest in the Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Registration Books, of any amount with respect to principal or Redemption Price of or interest on, the Bonds, (d) any consent given by the Securities Depository as registered owner, or (e) subject to Article IV, the selection by the Securities Depository or any Depository Participant of any beneficial owners to receive payment if Bonds are redeemed in part. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Bond Trustee of written notice from DTC to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the payment to the registered owners of Bonds at the close of business on the Record Date applicable to any interest payment date, the name "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC.

The Authority has executed the Letter of Representations. Such Letter of Representations is for the purpose of effectuating the book-entry only system only and shall not be deemed to amend, supersede or supplement the terms of this Bond Indenture which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Bond Indenture, the terms of this Bond Indenture shall control. The Securities Depository may exercise the rights of a Bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 2.22. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) the Bond Trustee determines (with the Authority's consent) that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) the Borrower (with the consent of the Bond Trustee) determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Bond Trustee or the Authority shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered on the Registration Books in the name of Cede & Co., as nominee of DTC but may be registered in the name of the successor security depository, or its nominee, in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. In connection with any proposed transfer outside the book-entry only system, the Borrower or DTC shall provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.23. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations. The Bond Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Bond Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants.

Section 2.24. Calculation Agent.

(a) The Borrower shall appoint a Calculation Agent for the Bonds in the Direct Purchase Mode, if applicable, the FRN Mode and the Windows Mode, subject to the conditions set forth below. Any Calculation Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority, the Borrower and the Bond Trustee in which the Calculation Agent will agree to perform all calculations and provide all notices required of the Calculation Agent under this Bond Indenture.

(b) The Calculation Agent may at any time resign and be discharged of the duties and obligations created by this Bond Indenture by giving at least 60 days' notice to the Authority, the Borrower, the Bond Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Upon receipt of such notice, during any Interest Rate Period in which the services of a Calculation Agent are required under this Bond Indenture, the Borrower has agreed in the Loan Agreement to diligently seek to appoint a successor Calculation Agent to assume the duties of the Calculation Agent on the effective date of the prior Calculation Agent's resignation. During the pendency of the Borrower appointing a new Calculation Agent, the Borrower shall itself act as Calculation Agent, and service in such case shall commence on the effective date of the resignation of the prior Calculation Agent and to remain in effect until a successor Calculation Agent assumes such position in accordance with the provisions hereof. The Calculation Agent may be removed at any time by written notice from the Borrower to the Authority, the Bond Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, the Direct Purchaser, if any and the Remarketing Agent, provided that such removal shall not be effective until a successor Calculation Agent assumes such position in accordance with the provisions hereof.

(c) The Bond Trustee shall, within 30 days of receipt from a Responsible Officer of the Bond Trustee of notice of the resignation or removal of the Calculation Agent or the appointment of a successor Calculation Agent, give notice thereof by Electronic Notice, confirmed by first class mail, to the registered owners of the Bonds.

(d) Promptly after determining any interest rate required to be determined by the Calculation Agent under this Bond Indenture, the Calculation Agent shall provide Electronic Notice to the Bond Trustee, the Remarketing Agent and any requesting Holder who has provided it with appropriate notice address.

ARTICLE III
ISSUANCE OF SERIES 2024B-2 BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Series 2024B-2 Bonds.

The Series 2024B-2 Bonds in the aggregate principal amount of \$[_____] shall forthwith be executed by the Authority and delivered to the Bond Trustee for authentication.

Prior to the delivery by the Bond Trustee of the Series 2024B-2 Bonds, the following shall be delivered to or deposited with the Bond Trustee:

- (a) a copy of the Final Bond Resolution;
- (b) a copy of the Board resolution of the Borrower authorizing the execution and delivery of the Borrower Documents and approving this Bond Indenture and the issuance and sale of the Series 2024B-2 Bonds;
- (c) original executed counterparts or certified copies of this Bond Indenture and each of the Borrower Documents and the original executed Master Note;

(d) a signed opinion of Ballard Spahr LLP, in connection with certain matters required by the Bond Purchase Agreement, substantially in the form acceptable to the Authority;

(e) (i) a signed opinion of Ballard Spahr LLP, Co-Bond Counsel, (ii) a signed opinion of Andre C. Dasent, P.C., Co-Bond Counsel and (iii) a signed opinion of John A. Schwab, Attorney at Law, LLC, Co-Bond Counsel, each in a form acceptable to the Authority;

(f) a signed opinion of Barley Snyder LLP, counsel for the Authority, substantially in the form acceptable to the Borrower;

(g) a request and authorization to the Bond Trustee on behalf of the Authority and signed by an Authorized Representative to authenticate and deliver the Series 2024B-2 Bonds in the aggregate principal amount of \$[] to the purchasers therein identified upon payment to the Bond Trustee, for the account of the Authority, of the sum specified in such request and authorization, such proceeds to be paid over to the Bond Trustee and deposited to the credit of various funds established hereunder or as otherwise provided under Section 3.02 hereof; and

(h) any other certificate, opinion, document or payment required by Bond Counsel or by the Authority.

Section 3.02. Application of Proceeds of the Bonds.

(a) The Bond Trustee shall deposit the proceeds of the sale of the Series 2024B-2 Bonds in accordance with Section 5.02(e).

(b) The Borrower shall furnish to the Bond Trustee at the time the Series 2024B-2 Bonds are authenticated a Closing Statement signed by an Authorized Officer of the Borrower and the Authority (the "Closing Statement") as set forth in Section 5.02(e), showing: (i) the amount of the proceeds of the sale of the Series 2024B-2 Bonds; (ii) the amounts to be transferred from the Project Fund to fund the Refunding Project; and (iii) the amounts to be transferred from the Project Fund to the Expenses Account to be applied for the payment of Costs of Issuance of the Series 2024B-2 Bonds, as applicable.

ARTICLE IV REDEMPTION AND TENDER OF BONDS

Section 4.01. Terms of Redemption.

(a) Extraordinary Optional Redemption. The Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of the Borrower, on any Interest Payment Date, in the event a substantial portion of the Borrower's facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued interest thereon to the redemption date, but only with Eligible Moneys at any time at which there is a Credit Facility that is a direct-pay letter of credit in effect with respect to such Bonds.

(b) Optional Redemption of Daily Bonds, Two Day Bonds, Weekly Bonds and Window Bonds. Daily Bonds, Two Day Bonds, Weekly Bonds and Window Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Business Day in such amounts as are designated by the Borrower at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium. For any Bonds that are enhanced with a Credit Facility that is a direct-pay letter of credit, such amounts shall be prepaid with Eligible Moneys.

(c) Optional Redemption of VRO Bonds. VRO Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Business Day in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(d) Optional Redemption of Short Term Bonds. Short Term Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Interest Payment Date for such Short Term Bonds, in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(e) Optional Redemption of FRN Bonds. FRN Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, as follows: on any Business Day during the period beginning on the date established pursuant to Section 2.10(a) and ending on the last day of such FRN Period, in whole or in part, in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(f) Optional Redemption of Flexible Rate Bonds. Bonds in the Flexible Mode are not subject to optional redemption prior to their respective Purchase Dates. Bonds in the Flexible Mode shall be subject to redemption at the option of the Borrower, in whole or in part on their respective Purchase Dates at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(g) Optional Redemption of Long Term Bonds, Fixed Bonds and the Series 2024B-2 Bonds.

(i) During the Initial Fixed Period, the Series 2024B-2 Bonds are not subject to optional redemption prior to _____, 20___. The Series 2024B-2 Bonds maturing on and after _____, 20__ shall be subject to redemption prior to maturity at the option of the Borrower, in whole or in part on any Business Day on and after _____, 20___, in such order of maturity and in such amounts as may be designated by the Borrower, upon payment of a Redemption Price equal to 100% of the principal amount of the Series 2024B-2 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

(ii) Bonds in the Long Term Mode or Fixed Mode, other than during the Initial Fixed Period, are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part, in such amounts as may be designated by the Borrower, (i) on each Long Term Rate Mandatory Purchase Date with respect to Bonds in a Long Term Period, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, and (ii) after the applicable no call periods specified below with respect to Long Term Bonds or Fixed Bonds (or, with a Favorable Opinion of Bond Counsel, during such different periods and at such different Redemption Prices specified in a notice of the Borrower to the Bond Trustee in connection with the establishment of the Long Term Rate(s) or a Fixed Rate(s)), on any date, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium:

Length of Long Term Period or Years Remaining to Maturity as of Fixed Rate Conversion Date or Long Term Conversion Date	Initial Redemption Dates (Anniversary of Fixed Rate Conversion Date or Long Term Conversion Date)
Equal to or less than 10 years	Not subject to optional redemption
Greater than 10 years	10th anniversary

(iii) The foregoing Section 4.01(g) notwithstanding, if the Borrower delivers to the Bond Trustee, the Remarketing Agent and the Authority on any Conversion Date or Purchase Date (for Bonds remaining Long Term Bonds for an additional Long Term Interest Rate Period) (1) a notice containing alternative call protection periods and/or Redemption Prices for Long Term Bonds or Fixed Bonds and (2) with respect to the Series 2024B-2 Bonds, a Favorable Opinion of Bond Counsel, then the Bonds shall be subject to redemption at the option of the Borrower, pursuant to the call protection periods and at the Redemption Prices, if any, set forth in that notice, and this Section 4.01(g) shall be deemed to be modified as set forth in such notice.

(h) Optional Redemption of Direct Purchase Bonds. Direct Purchase Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part at any time on or after their Direct Purchase Period Earliest Redemption Date, if any, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, with premium, if any, or, with a Favorable Opinion of Bond Counsel, as is set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

(i) Mandatory Redemption of VRO Bonds. VRO Bonds are subject to mandatory redemption on each VRO Interest Rate Period Special Mandatory Redemption Date (unless no longer effective pursuant to the terms of Section 2.11(c)(iv)) at a

Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(j) Mandatory Redemption of Direct Purchase Bonds. Direct Purchase Bonds are subject to mandatory redemption at the times, in the amounts, and at the Redemption Prices, as may be set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement. Anything in this Bond Indenture to the contrary notwithstanding, no notice related to a mandatory redemption related to Sinking Fund Installments shall be required while the Bonds are in Direct Purchase Mode.

(k) Sinking Fund Redemption. The Bonds are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts and at the times set forth in Section 5.05(d) at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(l) Redemption of Bank Bonds. All Liquidity Facility Bonds and Credit Facility Bonds shall also be subject to redemption as may be provided in the applicable Liquidity Facility Agreement or Credit Facility Agreement at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(m) Purchase in Lieu of Optional Redemption. Notwithstanding the above provisions in this Section 4.01, any Bonds subject to optional redemption and cancellation pursuant to Section 4.01(b), (c), (d), (e), (f), (g) or (h) above shall also be subject to optional call for purchase and, at the option of the Borrower, holding, resale or cancellation by the Borrower (i.e., a so called purchase in lieu of redemption) at the same times and at the same Redemption Prices as are applicable to the optional redemption of such Bonds as provided in such paragraphs, provided that purchase in lieu of optional redemption shall be subject to the same conditional requirements as conditional calls hereunder. To exercise such option, the Borrower shall give the Bond Trustee a Written Request exercising such option within the time period specified in Section 4.03 hereof as though such Written Request were a written request for redemption, and the Bond Trustee shall thereupon give the holders of the Bonds to be purchased notice of such purchase in the manner specified in Section 4.03 hereof as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the holders. On the date fixed for purchase pursuant to any exercise of such option, the Borrower or its assignee shall pay the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof; provided however that in the case of any Bonds that are at the time enhanced with a Credit Facility that is a direct-pay letter of credit, such purchase price shall be paid with Eligible Moneys. Following such purchase, the Bond Trustee shall cause such Bonds to be registered in the name of the Borrower or its assignees and shall deliver them to the Borrower or its assignee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with Section 4.02 hereof. No purchase of the Bonds pursuant to these provisions shall operate to extinguish the indebtedness of the Authority evidenced thereby (subject to all the terms

and limitations contained in this Bond Indenture). Notwithstanding the foregoing, no purchase shall be made pursuant to this section (m) with respect to the Series 2024B-2 Bonds unless the Borrower shall have delivered to the Bond Trustee and the Authority concurrently therewith a Favorable Opinion of Bond Counsel.

(n) Denominations. All redemptions of less than all Bonds shall be in Authorized Denominations.

(o) Sinking Fund Adjustments. If there shall be any redemptions of Bonds other than sinking fund redemptions, the Borrower shall provide the Bond Trustee a revised Sinking Fund Installment schedule in order to reflect any such other redemptions.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Bond Indenture for the redemption of less than all of the Bonds or any given portion thereof, the Bond Trustee shall select the Bonds to be redeemed, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed in writing by the Borrower or in the absence of direction by lot; provided, however, that Bonds shall be redeemed in the following order of priority (and randomly within each priority):

FIRST: Any Bonds which are Bank Bonds; and

SECOND: Any other Bonds.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by the Bond Trustee, not less than 20 days nor more than 60 days prior to the redemption date to the Holders of Bonds called for redemption at their addresses appearing on the Registration Books as of the date of the giving of such notice. The Bond Trustee shall also give notice of redemption by Electronic Notice to the Remarketing Agent, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Securities Depository. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Bond Trustee), the Maturity Date, the CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that, subject to the deposit of sufficient funds with the Bond Trustee on or prior to the redemption date to effect the redemption and to prior rescission as provided in the next paragraph of this Section 4.03, on that date there will become due and payable on each of the Bonds the Redemption Price thereof or of the specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Any notice given pursuant to this Section 4.03 shall state (i) that it is conditioned upon the deposit with the Bond Trustee on or prior to the redemption date of moneys in an amount equal to the amount necessary to effect the redemption and (ii) that the notice may be rescinded by written notice given to the Bond Trustee by the Borrower on or prior to the date specified for redemption, and in either of such cases such notice and redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Bond for which a notice of

redemption has been rescinded or for which sufficient funds to pay the Redemption Price thereof have not been deposited with the Bond Trustee on or prior to the redemption date shall remain outstanding and neither the rescission of the notice nor the failure to fund the Redemption Price shall constitute an Event of Default hereunder. The Bond Trustee shall give notice of such rescission or failure to fund the Redemption Price as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to this Section 4.03.

Failure by the Bond Trustee to give notice pursuant to this Section 4.03 to any one or more of the securities information services or depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to this Section 4.03 to any one or more of the respective Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

Notice of redemption of Bonds shall be given by the Bond Trustee, at the direction and expense of the Borrower, for and on behalf of the Authority.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute (but need not prepare) and the Bond Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Borrower, a new Bond or Bonds of Authorized Denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered; provided, however, that during any Direct Purchase Period, there shall be no requirement for the Holder to present the Bonds for surrender in connection with a partial redemption of the Bonds.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Bond Indenture and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Bond Trustee for such payment.

All Bonds redeemed pursuant to the provisions of this Article IV shall be canceled upon surrender thereof (and if applicable credited against Sinking Fund Installments), unless resold at the direction of the Borrower in accordance with Section 4.01(m).

Section 4.06. Optional Tenders During Daily Periods, Two Day Periods, Weekly Periods, Window Periods and VRO Periods.

(a) Holders of Eligible Bonds may elect to have their Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds, or portions thereof in amounts in Authorized Denominations, purchased at the Purchase Price on the following Purchase

Dates and upon giving the following Electronic Notice or written notice meeting the further requirements set forth below:

- (i) Eligible Bonds with interest payable at a Daily Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 11:00 a.m., New York City time, on the designated Purchase Date.
- (ii) Eligible Bonds with interest payable at a Two Day Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 1:00 p.m., New York City time, on a Business Day not fewer than two days prior to the designated Purchase Date.
- (iii) Eligible Bonds with interest payable at a Weekly Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.
- (iv) Eligible Bonds with interest payable at a Window Rate may be tendered for purchase at the Purchase Price payable in immediately available funds upon delivery of Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 5:00 p.m., New York City time, on any Business Day for tender on a Window Rate Optional Purchase Date designated by the Remarketing Agent, if any.
- (v) Eligible Bonds with interest payable at a VRO Rate may be tendered for purchase at the VRO Interest Rate Period Purchase Price in accordance with the applicable provisions of Section 2.11(b).
- (b) Each notice of tender (other than a VRO Interest Rate Period Tender Notice which shall conform to the requirements set forth in Section 2.11(b)):
 - (i) Shall, in case of a written notice, be delivered to the Bond Trustee at its Corporate Trust Office and the Remarketing Agent at its Principal Office and be in form satisfactory to the Bond Trustee and the Remarketing Agent;
 - (ii) Shall state (A) the principal amount of the Daily Bond, Two Day Bond, Weekly Bond or Window Bond to which the notice relates and the CUSIP number of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond, (B) that the Holder irrevocably demands purchase of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond or a specified portion thereof in an Authorized Denomination, (C) for any Daily Bond, Two Day Bond or Weekly Bond, the Purchase Date on which such Daily Bond, Two Day Bond or Weekly

Bond or portion thereof is to be purchased and (D) payment instructions with respect to the Purchase Price; and

- (iii) Shall automatically constitute (A) an irrevocable offer to sell the Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) to which such notice relates on the Purchase Date (which, in the case of Window Bonds, shall be the Purchase Date, if any, designated by the Remarketing Agent pursuant to Section 4.11(b)(iii) (a “Window Rate Optional Purchase Date”)), to any purchaser selected by the Remarketing Agent, with respect to the applicable Bonds at a price equal to the Purchase Price, (B) an irrevocable authorization and instruction to the Bond Trustee to effect transfer of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) upon receipt by the Bond Trustee of funds sufficient to pay the Purchase Price on the Purchase Date (subject to Section 4.11(b)(iii) with respect to Window Bonds), (C) an irrevocable authorization and instruction to the Bond Trustee to effect the exchange of the Daily Bond, Two Day Bond, Weekly Bond or Window Bond to be purchased in whole or in part for other Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds in an equal aggregate principal amount so as to facilitate the sale of such Daily Bond, Two Day Bond, Weekly Bond or Window Bonds (or portion thereof to be purchased), and (D) an acknowledgment that such Holder will have no further rights with respect to such Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price therefor with the Bond Trustee on the Purchase Date, except for the right of such Holder to receive such Purchase Price upon surrender of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond to the Bond Trustee.

The determination of the Bond Trustee and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Holder. The Bond Trustee or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

- (c) The right of Holders to tender Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds for purchase pursuant to this Section 4.06 shall terminate upon a Conversion Date with respect to such Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds, respectively, to an Interest Rate Mode that is not a Daily Mode, Two Day Mode, Weekly Mode, Window Mode or VRO Mode, respectively.

- (d) Notwithstanding anything to the contrary herein, all Daily Bonds, Two Day Bonds or Weekly Bonds as to which Electronic Notice specifying the Purchase Date has been delivered pursuant to this Section 4.06 (and which have not been tendered to the Bond Trustee) shall be deemed tendered on the specified Purchase Date. From and after the specified Purchase Date of a Bond or Bonds tendered to the Bond Trustee or deemed tendered pursuant to this Section 4.06, the former Holder of such Bond or Bonds shall be entitled solely to the payment of the Purchase Price of such Bond or Bonds tendered or deemed tendered, which Purchase Price shall be payable only as set forth in Section 4.10(c) hereof.

(e) The Bond Trustee shall promptly return any notice of tender delivered pursuant to Section 4.06(b) hereof (together with the Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by Section 4.06(b) hereof to the Person or Persons submitting such notice and Bonds upon surrender of the receipt, if any, issued therefor.

(f) Notwithstanding anything herein or in the Loan Agreement to the contrary, in the event of the optional tender of any Daily Bonds, Two-Day Bonds or Weekly Bonds, and the failure of the Remarketing Agent to remarket any such Bonds, and the subsequent failure of the Liquidity Facility Provider or Credit Facility Provider, if any, to fund the Purchase Price of any such tendered Bonds pursuant to a Liquidity Facility or Credit Facility, then the Borrower shall have the option, but not the obligation (other than its obligation pursuant to Section 4.05 of the Loan Agreement), to fund the Purchase Price of any such tendered Bonds, on or after the Purchase Date therefor.

Section 4.07. Mandatory Tender for Purchase of Bonds.

(a) Bonds shall be subject to mandatory tender for purchase by the Bond Trustee at the Purchase Price on the following Mandatory Purchase Dates with respect to such Bonds:

(i) Each Conversion Date for Bonds, as provided in Section 4.08 hereof except Conversions from the Weekly Mode to the Daily Mode and from the Daily Mode to the Weekly Mode; provided, however, that if such Conversion Date is already a Mandatory Purchase Date, as specified in Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii) (viii), (ix) and (x) hereof, no separate mandatory tender shall occur;

(ii) Each Short Term Rate Mandatory Purchase Date;

(iii) Each Long Term Rate Mandatory Purchase Date;

(iv) In connection with a Noticed Termination Date, an Expiration Date of the Credit Facility or the Liquidity Facility in effect with respect to any Bonds or the delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, on the dates and as provided in Sections 4.09, 4.17, 4.19 and 4.20 hereof, and, (A) during any time in which the Borrower has delivered a Self-Liquidity Arrangement for the Bonds as permitted herein, on the effective date of any Liquidity Facility or Credit Facility that is delivered to the Bond Trustee in substitution for such Self-Liquidity Arrangement and (B) during any time in which the Bonds are not supported by a Liquidity Facility, a Credit Facility or a Self-Liquidity Arrangement, on the effective date of any Liquidity Facility, Credit Facility or Self-Liquidity Arrangement that is delivered to the Bond Trustee in support of the Bonds;

(v) Each FRN Rate Mandatory Purchase Date;

(vi) Each Window Rate Mandatory Purchase Date, as provided in Section 4.11(b)(iii) hereof;

(vii) Each Borrower Elective Purchase Date for any Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds, as provided in Section 4.07(g) hereof;

(viii) Each VRO Interest Rate Period Remarketing Date as provided in Section 2.11(c)(ii) hereof;

(ix) Each Direct Purchase Rate Mandatory Purchase Date; and

(x) with respect to a Flexible Rate Bond, the first Business Day following the last day of each Flexible Rate Period.

(b) Bonds to be purchased pursuant to Section 4.07(a) hereof shall be delivered by the Holders thereof to the Bond Trustee (together with necessary assignments and endorsements) at or prior to 10:00 a.m., New York City time, on the applicable Purchase Date (provided, however, that the Holder of a Direct Purchase Bond subject to Conversion from a Direct Purchase Period to another Direct Purchase Period shall have the option to retain possession of such Direct Purchase Bond if such Holder is to continue to hold such Direct Purchase Bond for the ensuing Direct Purchase Period).

(c) Any Bonds to be purchased by the Bond Trustee pursuant to this Section 4.07 that are not delivered for purchase on or prior to the Mandatory Purchase Date, for which there has been irrevocably deposited in trust with the Bond Trustee an amount sufficient to pay the Purchase Price of such Bonds, shall be deemed to have been tendered to the Bond Trustee for purchase, and the Holders of such Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Purchase Date) other than the respective Purchase Prices of such Bonds, and such Bonds shall not be entitled to any benefits of this Bond Indenture, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid, subject, however, to the provisions of Article X hereof.

(d) In addition to any other requirements set forth in this Bond Indenture (except as otherwise provided in Section 2.11 hereof), notices of mandatory tender of Bonds delivered to Holders shall:

(i) Specify the proposed Mandatory Purchase Date and the event which gives rise to the proposed Mandatory Purchase Date;

(ii) State that such Bonds shall be subject to mandatory tender for purchase on such Mandatory Purchase Date;

(iii) State that Holders may not elect to retain such Bonds subject to mandatory tender;

(iv) State that all such Bonds subject to mandatory tender shall be required to be delivered to the Corporate Trust Office of the Bond Trustee at or before 10:00 a.m., New York City time, on the Mandatory Purchase Date;

(v) State that if the Holder of any Bond subject to mandatory tender fails to deliver such Bond to the Bond Trustee for purchase on the Mandatory Purchase Date, and if the Bond Trustee is in receipt of funds sufficient to pay the Purchase Price thereof, such Bond (or portion thereof) shall nevertheless be deemed purchased on the Mandatory Purchase Date and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof;

(vi) State that any Holder that fails to deliver any Bond for purchase shall have no further rights thereunder or under this Bond Indenture except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Bond Trustee and that the Bond Trustee will place a stop transfer against the Bonds subject to mandatory tender registered in the name of such Holder(s) on the Registration Books;

(vii) State that if moneys sufficient to effect such purchase shall have been provided through (A) the remarketing of such Bonds by the Remarketing Agent, (B) the Credit Facility, if any, or the Liquidity Facility, if any, or (C) funds provided by the Borrower (if applicable), all such Bonds shall be purchased;

(viii) In the case of mandatory tender upon any proposed Conversion of Bonds, state that such Conversion and such mandatory tender will not occur in the event the conditions to Conversion specified in Section 2.15 hereof do not occur, and that any such failure to effect the Conversion shall not constitute an Event of Default (unless the Bonds, by their terms are otherwise subject to mandatory tender as described in Section 4.07(a) hereof);

(ix) In the case of mandatory tender as a result of the upcoming Expiration Date of the Credit Facility, if any, or the Liquidity Facility, if any, state that such mandatory tender will not occur, if, on or prior to the Mandatory Purchase Date, such Expiration Date is extended; and

(x) In the case of a mandatory tender on a VRO Rate Mandatory Purchase Date, contain the information required pursuant to Section 2.11 hereof.

(e) Notice of mandatory tender of Bonds by reason of a proposed Conversion shall be given in accordance with Section 2.15 hereof. Notice of mandatory tender of Bonds by reason of other events described in Section 4.07(a) hereof shall be given by the Bond Trustee (i) to the Holders of the Bonds subject to mandatory tender (at their addresses as they appear on the Registration Books as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (ii) to the Borrower, the Authority, the Remarketing Agent, the Calculation Agent, if any, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to such Bonds by Electronic Notice not fewer than 10 days prior to the applicable Mandatory Purchase Date (except in the case of a mandatory tender pursuant to Section 4.17 hereof, which notice period shall be as described therein, in the case of a mandatory tender of VRO Bonds pursuant to Section 4.07(a)(viii) hereof, which notice period shall be in accordance with Section 2.11, and in the case of a Window Rate Mandatory Purchase Date, which notice shall be given in accordance with

Section 4.11(b)(iii) hereof). Any notice of mandatory tender pursuant to Section 4.07(g) hereof shall state that the mandatory tender of the Bonds on a Borrower Elective Purchase Date (as defined in Section 4.07(g)) is conditioned upon receipt by the Bond Trustee of sufficient remarketing proceeds to pay the Purchase Price of the Bonds on the Borrower Elective Purchase Date, that any failure to provide such funds shall not constitute an Event of Default, and that the notice of mandatory tender shall be rescinded in the event that sufficient remarketing proceeds are not deposited with the Bond Trustee on such Borrower Elective Purchase Date.

(f) If, following the giving of notice of mandatory tender of Bonds pursuant to Section 4.07(a) hereof, an event occurs which, in accordance with the terms of this Bond Indenture causes such mandatory tender not to occur, then (i) the Bond Trustee shall so notify the Holders of such Bonds (at their addresses as they appear on the Registration Books on the date of such notice), by Electronic Notice, confirmed by first class mail, as soon as may be practicable after the applicable Mandatory Purchase Date, and (ii) the Bond Trustee shall return to the Holders any such Bonds tendered to the Bond Trustee in connection with such mandatory tender of such Bonds.

(g) During any Daily Period, Two Day Period, Weekly Period or Window Period, the Bonds are subject to mandatory tender for purchase on any Business Day (a "Borrower Elective Purchase Date") designated by the Borrower, with the consent of the Liquidity Facility Provider or the Credit Facility Provider, if any, at the Purchase Price, payable in immediately available funds. Such Borrower Elective Purchase Date shall be a Business Day not earlier than the 10th day following the second Business Day after receipt by the Bond Trustee of such designation. If on a Borrower Elective Purchase Date sufficient remarketing proceeds are not available for the purchase of all Bonds, as applicable, then the Borrower's designation of such Borrower Elective Purchase Date for such Bonds shall be deemed rescinded, the Borrower shall have no obligation to purchase the Bonds tendered or deemed tendered on such Borrower Elective Purchase Date, and the failed remarketing shall not constitute an Event of Default under this Bond Indenture. The Bond Trustee shall give Electronic Notice of such rescission to the Holders, with a copy to the Borrower, the Authority, the Remarketing Agent and the Liquidity Facility Provider or the Credit Facility Provider, if any, as soon as practicable and in any event not later than the date of rescission of the proposed Borrower Elective Purchase Date.

Section 4.08. Mandatory Tender for Purchase on Conversion Date, on First Day of Each Interest Rate Mode, During Direct Purchase Period.

(a) Eligible Bonds shall be subject to mandatory tender for purchase on any Conversion Date (except for Conversions from the Weekly Mode to the Daily Mode and from the Daily Mode to the Weekly Mode) or on the first day of each Interest Rate Mode with respect to such Bonds, at the applicable Purchase Price for such Bonds, payable in immediately available funds, or, in the case of a purchase on the first day of an Interest Rate Mode which is preceded by a Long Term Period and which commences prior to the day originally established as the last day of such preceding Long Term Period, at a Purchase Price equal to the optional Redemption Price set forth in Section 4.01(g) hereof, plus accrued interest, if any. The Purchase Price of any Bond so purchased shall be payable

only upon surrender of such Bond to the Bond Trustee at its Corporate Trust Office at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to Section 2.15 hereof.

(b) The Direct Purchase Bonds shall be subject to mandatory tender for purchase (i) on each Direct Purchase Rate Mandatory Purchase Date, and (ii) during any Direct Purchase Period, on the date which is the fifth (5th) Business Day following receipt of notice given to the Borrower and the Bond Trustee from the Direct Purchaser that an event of default under the Bondholder Agreement has occurred and is continuing and directing a mandatory tender of the Direct Purchase Bonds.

Section 4.09. Mandatory Tender Upon Termination or Expiration of Liquidity Facility or Credit Facility. If a Liquidity Facility or Credit Facility has been delivered to the Bond Trustee in accordance with the provisions of the Loan Agreement, the Bonds supported by such Liquidity Facility or Credit Facility shall be subject to mandatory tender for purchase prior to the Noticed Termination Date or the Expiration Date, as applicable, for such Liquidity Facility or Credit Facility, on the dates determined pursuant to Section 4.17 hereof and as more particularly set forth in Section 4.17 hereof, at the Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable only upon surrender of such Bond to the Bond Trustee at its Corporate Trust Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Bond Trustee, executed in blank by the Holder thereof or by the Holder's duly authorized attorney, at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in a notice provided to the Holders by the Bond Trustee. Any drawing upon a Liquidity Facility or Credit Facility to pay the Purchase Price of Bonds subject to mandatory tender in connection with the delivery of an Alternate Credit Facility or an Alternate Liquidity Facility shall be made upon the existing Credit Facility or Liquidity Facility and not upon the Alternate Credit Facility or Alternate Liquidity Facility.

Section 4.10. General Provisions Relating to Tenders.

(a) Creation of Bond Purchase Fund.

(i) There shall be created and established hereunder with the Bond Trustee a fund to be designated the "Series 2024B-2 Bonds Bond Purchase Fund" (the "Bond Purchase Fund") to be held in trust only for the benefit of the Holders of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds.

(ii) There shall be created and designated the following accounts within the Bond Purchase Fund: the "Remarketing Proceeds Account," the "Liquidity Facility Account," the "Credit Facility Account," the "Borrower Purchase Account," and the "Undelivered Bond Payment Account," and within each such account, a sub-account for each sub-Series of Bonds if and as may be applicable. Moneys paid to the Bond Trustee for the purchase of tendered or deemed tendered Bonds received from (A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account (and any sub-account) in accordance with the

provisions of Section 4.10(d)(i) hereof, (B) payments pursuant to a Liquidity Facility, if any, shall be deposited in the Liquidity Facility Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(ii) hereof, (C) payments pursuant to a Credit Facility, if any, shall be deposited in the Credit Facility Account (and the sub-account) in accordance with the provisions of Section 4.10(d)(ii) hereof, and (D) the Borrower (but only when and if the Borrower is obligated to provide such funds or otherwise elects to provide such funds) shall be deposited in the Borrower Purchase Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(iii) hereof. Moneys provided from payments made under a Liquidity Facility, if any, or Credit Facility, if any, not required to be used in connection with the purchase of tendered Bonds shall be returned to the applicable Liquidity Facility Provider or Credit Facility Provider in accordance with Section 4.10(d) and (e) hereof. Moneys provided by the Borrower not required to be used in connection with the purchase of tendered Bonds shall be returned to the Borrower in accordance with Sections 4.10(d) and (e) hereof.

(iii) Moneys in the Liquidity Facility Account, the Credit Facility Account, the Borrower Purchase Account, the Undelivered Bond Payment Account, and the Remarketing Proceeds Account shall not be commingled with other funds held by the Bond Trustee and shall remain uninvested in an Eligible Account and without liability for interest on the part of the Bond Trustee. "Eligible Account" shall mean an account that is maintained with the corporate trust department of a federal depository institution, trust company or state chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, has corporate trust powers and is acting in its fiduciary capacity. In the event that an account required to be an Eligible Account no longer complies with such requirement, the Bond Trustee should promptly upon having received notice of such event (and in any case, within not more than thirty (30) calendar days) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

(iv) At no time shall the Bond Trustee draw on a Liquidity Facility or Credit Facility (A) with respect to any Bonds operating in an Interest Rate Mode not covered by such Liquidity Facility or Credit Facility or (B) to pay the Purchase Price of any Bonds that are not Eligible Bonds.

(v) Neither the Borrower nor the Authority shall have any right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account or the Undelivered Bond Payment Account nor any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) Deposit of Bonds. The Bond Trustee agrees to hold all Bonds delivered to it pursuant to Sections 4.06, 4.07, 4.08 and 4.09 of this Bond Indenture in trust for the benefit of the respective Holders which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Holder in

accordance with the provisions of this Bond Indenture and until such Bonds shall have been delivered by the Bond Trustee in accordance with Section 4.10(f) hereof.

(c) **Remarketing of Bonds.**

(i) Immediately upon its receipt, but not later than 11:30 a.m., New York City time, on the Purchase Date with respect to a notice pursuant to Section 4.06(a) hereof with respect to Daily Bonds, not later than 1:15 p.m. New York City time, on the Business Day following receipt from a Holder of a notice pursuant to Section 4.06(a) with respect to Two Day Bonds, and not later than 12:00 noon, New York City time, on the Business Day following receipt from a Holder of a notice pursuant to Section 4.06(a) hereof with respect to Weekly Bonds, the Bond Trustee shall notify the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower by Electronic Notice of such receipt, specifying the principal amount of Bonds for which it has received a notice pursuant to Section 4.06(a) of this Bond Indenture, the names of the Holders thereof, the date on which such Bonds are to be purchased in accordance with Section 4.06 hereof, the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof, and in no event later than 11:15 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, and in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof and in no event later than 4:00 p.m., New York City time, on the last Business Day prior to the Mandatory Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.08 or 4.09 hereof, the Remarketing Agent shall inform the Bond Trustee by Electronic Notice, of the principal amount of Purchased Bonds for which the Remarketing Agent has identified prospective purchasers and of the name, and if known to the Remarketing Agent, address and taxpayer identification number of each such purchaser, the principal amount of Purchased Bonds to be purchased and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, the Bond Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent.

(iii) By 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, by 10:30 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 or 4.09 hereof, and by 11:30 a.m., New York City time, on the Purchase Date in the

case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, the Bond Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Borrower by Electronic Notice or telephone, promptly confirmed in writing, as to the aggregate Purchase Price of the Purchased Bonds and as to the projected Funding Amount.

The term "Funding Amount" means an amount equal to the difference between (1) the total Purchase Price of those Purchased Bonds to be purchased pursuant to Sections 4.06(a), 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 4.08 and 4.09 hereof, and (2) the Purchase Price of those Purchased Bonds to be purchased pursuant to Sections 4.06(a), 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 4.08 or 4.09 hereof with respect to which the Remarketing Agent expects to transfer, or to cause to be transferred, immediately available funds to the Bond Trustee by 10:30 a.m., New York City time, on the Purchase Date in the case of the Weekly Bonds purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two day Bonds purchased pursuant to Section 4.06(a) hereof, and by 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of the Bonds purchased pursuant to Section 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), hereof for deposit in the Remarketing Proceeds Account pursuant to Section 4.10(d) hereof.

(iv) Upon receipt of any Electronic Notice or written notice of tender relating to Bonds bearing interest at a Window Rate pursuant to Section 4.06(a)(iv) hereof, the Bond Trustee shall, not later than 12:00 noon, New York City time, on the next Business Day, send notice of such tender to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice, including in such notice the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Window Rate Optional Purchase Date. The Bond Trustee shall give notice of such optional tender, including the principal amount of Bonds to be purchased (but not the name of the tendering Bondholder), by first class mail to the Holders not later than the second Business Day after receipt of a notice of optional tender by the Bond Trustee pursuant to this paragraph. If the Remarketing Agent identifies a purchaser for a Window Bond for which a notice of tender has been given during the period beginning on the Business Day such notice of tender is received by the Remarketing Agent and ending on the 30th day (or, if the 30th day is not a Business Day, the next succeeding Business Day) after such notice of tender is received by the Remarketing Agent (a "Remarketing Window"), the Remarketing Agent shall give Electronic Notice to the tendering Holder, the Borrower, the Bond Trustee and the Authority that a purchaser has been identified. Such notice shall designate the Window Rate Optional Purchase Date for such Bond, which shall be the earlier of (A) the last day of the Remarketing Window or (B) any Business Day that is at least seven days after such notice is received by the tendering Holder. The Bond Trustee shall purchase such Bond pursuant to Section 4.11(c) hereof on the Window Rate Optional Purchase Date at the Purchase Price, but only with remarketing proceeds or with any other amounts made available by the Borrower, in its sole discretion. If sufficient remarketing

proceeds are not available for the purchase of such Bond on the Window Rate Optional Purchase Date, and amounts are not made available by the Borrower, in its sole discretion, for the purchase of such Bond on the Window Rate Optional Purchase Date, then the Remarketing Agent's designation of a Window Rate Optional Purchase Date for such Bond shall be deemed to be rescinded, such Bond shall not be tendered or deemed tendered or required to be purchased on such date and no Event of Default shall occur. The Remarketing Agent shall give Electronic Notice of such rescission to the tendering Holder, the Bond Trustee, the Authority and the Borrower as soon as practicable and in any event not later than the next succeeding Business Day.

(v) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with Sections 4.07, 4.08 or 4.09 hereof which are not presented to the Bond Trustee on the Mandatory Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to Section 4.06 hereof which are not presented to the Bond Trustee on the Purchase Date, shall be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) Deposits of Funds.

(i) The Bond Trustee shall deposit into the Remarketing Proceeds Account any amounts received by it in immediately available funds by 10:45 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, and by 10:45 a.m., New York City time, on any Purchase Date in the case of Bonds purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof from the Remarketing Agent (which amounts received from the remarketing of the Bonds the Remarketing Agent is hereby directed to deposit with the Bond Trustee by such times) against receipt of Bonds by the Remarketing Agent pursuant to Section 4.10(f) hereof and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) By 11:00 a.m., New York City time, on the Purchase Date in the case of Bonds purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, and by 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of the Liquidity Facility or the Credit Facility, as applicable) in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by noon, New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, the Bond Trustee shall notify the Liquidity Facility Provider, if any, the

Credit Facility Provider, if any, and the Direct Purchaser, if any, for the Purchased Bonds and the Borrower by Electronic Notice of the additional amount of funds, if any, required to be transferred to the Bond Trustee (the "Additional Funding Amount") which shall be the amount, if any, by which the total Purchase Price of the Purchased Bonds exceeds the sum of the amounts then on deposit in the Remarketing Proceeds Account. If a Liquidity Facility or Credit Facility is in effect with respect to the Purchased Bonds, the Bond Trustee shall, at or before (A) 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of the Liquidity Facility or the Credit Facility, as applicable) with respect to Weekly Bonds to be purchased pursuant to Sections 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof; (B) 12:00 noon, New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof; and (C) 11:00 a.m., New York City time, on the Purchase Date with respect to Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), present drafts for payment under the Liquidity Facility or Credit Facility, as may be applicable, in an amount equal to the Additional Funding Amount. The Liquidity Facility Provider or the Credit Facility Provider, as may be applicable, shall be required to provide such Additional Funding Amount, in immediately available funds, to the Bond Trustee no later than (1) 2:30 p.m., New York City time, on the Purchase Date with respect to Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and (2) 2:30 p.m., New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof and Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof. The Bond Trustee shall deposit such amounts in the Liquidity Facility Account or Credit Facility Account, as applicable, depending on the source of such amounts. If more than one Liquidity Facility or Credit Facility is then in effect, the Bond Trustee shall establish a separate sub-account in the Liquidity Facility Account or Credit Facility Account, as applicable, for each Liquidity Facility or Credit Facility and apply the moneys in such sub-accounts solely to pay the Purchase Price of Purchased Bonds supported by such Liquidity Facility or Credit Facility.

(iii) The Borrower has agreed in Section 4.05 of the Loan Agreement that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by this Bond Indenture at the times required hereunder, it shall pay to the Bond Trustee the Additional Funding Amount in immediately available funds paid to the Bond Trustee at its Corporate Trust Office by 2:45 p.m., New York City time, within 370 days after the date on which the tendered Bonds are required to be purchased.

(iv) The Bond Trustee shall hold all proceeds received from the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility

Provider, if any, or the Borrower pursuant to this Section 4.10(d) hereof in trust for the tendering Bondholders. In holding such proceeds and moneys, the Bond Trustee will be acting on behalf of such Bondholders by facilitating purchases of the Bonds and not on behalf of the Authority, any Liquidity Facility Provider, any Credit Facility Provider, or the Borrower, and will not be subject to the control of any of them. Subject to the provisions of Section 4.10(e) hereof, following the discharge of the lien created by this Bond Indenture or after payment in full of the Bonds, the Bond Trustee shall pay any moneys remaining in any account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Bond Trustee that such Person is rightfully entitled to such money, and the Bond Trustee shall not pay such amounts to any other Person.

(c) Disbursements; Payment of Purchase Price. Moneys delivered to the Bond Trustee on a Purchase Date shall be applied at or before 3:00 p.m., New York City time, on such Purchase Date (or on a later date as provided in Section 4.10(d)(iii) in the event the Credit Facility Provider or Liquidity Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under the Credit Facility or Liquidity Facility, as applicable, to pay the Purchase Price of tendered Bonds in connection with a Purchase Date) to pay the Purchase Price of Purchased Bonds that are delivered to the Bond Trustee at or prior to 10:00 a.m., New York City time, on such Purchase Date in accordance with Section 4.07(b), or at or prior to 11:00 a.m., New York City time, on such Purchase Date in accordance with Section 4.06(a), in immediately available funds, as follows in the indicated order of application and, to the extent not so applied, shall be held in the separate and segregated accounts of the Bond Purchase Fund for the benefit of the Holders of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account of the Bond Purchase Fund with respect to the Bonds (representing the proceeds of the remarketing by the Remarketing Agent with respect to the Bonds).

SECOND: Moneys, if any, deposited in the Liquidity Facility Account or the Credit Facility Account, as applicable, of the Bond Purchase Fund with respect to the Bonds (representing the proceeds of a drawing under such Liquidity Facility or Credit Facility).

THIRD: Moneys, if any, deposited in the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds (representing amounts paid by the Borrower to the Bond Trustee for the purchase of such Bonds).

Any moneys held by the Bond Trustee in the Borrower Purchase Account remaining unclaimed by the Holders of the Purchased Bonds which were to have been purchased on the 3 year anniversary of the Purchase Date, and after all amounts due and owing under the Bondholder Agreement, if any, have been paid, shall be paid to the Commonwealth in accordance with applicable escheat law or, upon the written request of the Borrower, to the Borrower, against written receipt therefor. The Holders of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Bond Trustee, to the extent it

shall hold moneys on deposit in the Bond Purchase Fund, or to the extent moneys have been transferred in accordance with this Section to the Borrower or the Commonwealth, as applicable.

(f) Delivery of Purchased Bonds.

(i) The Remarketing Agent shall give Electronic Notice, promptly confirmed in writing, to the Bond Trustee on each date on which Bonds shall have been purchased pursuant to Sections 4.06, 4.07, 4.08 and 4.09 hereof, specifying the principal amount of such Bonds, if any, sold by the Remarketing Agent pursuant to Section 4.13(a) hereof along with a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and, if known to the Remarketing Agent, the addresses and social security or taxpayer identification numbers of such purchasers. By 10:30 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bond to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 12:00 noon, New York City time, with respect to Daily Bonds or Two day Bonds to be purchased pursuant to Section 4.06(a) hereof, and by 10:30 a.m., New York City time, on the Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Bond Trustee to the Remarketing Agent against payment therefor in immediately available funds. The Bond Trustee shall prepare each Bond to be so delivered in such names as directed by the Remarketing Agent pursuant to Section 4.10(c)(ii) hereof.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Liquidity Facility Account, if any, or the Credit Facility Account, if any, shall be delivered on the day of purchase by the Bond Trustee to or as directed by the Liquidity Facility Provider or the Credit Facility Provider, as applicable. The Bond Trustee shall register such Bonds in the name of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, or as otherwise provided in the Liquidity Facility or the Credit Facility Agreement.

(iii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Borrower Purchase Account, if any, shall be delivered on the day of such purchase by the Bond Trustee to or as directed by the Borrower. The Bond Trustee shall register such Bonds in the name of the Borrower or as otherwise directed by the Borrower.

Section 4.11. Notice of Tender.

(a) Simultaneously with the giving (pursuant to Section 4.07(e) hereof) of notice of any mandatory tender of Bonds pursuant to Section 4.07(a) hereof, the Bond Trustee shall give Electronic Notice, promptly confirmed by a written notice, to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity

Facility Provider, if any, specifying the applicable Mandatory Purchase Date, the aggregate principal amount and Purchase Price of Bonds subject to mandatory tender on such Mandatory Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Bonds to such Mandatory Purchase Date.

(b) On each Purchase Date, the Bond Trustee shall determine the Additional Funding Amount, if any, at the times required by Section 4.10(d)(ii); and

(i) If a Liquidity Facility is in effect with respect to the Bonds on such Purchase Date, then (a) the Bond Trustee shall draw upon the Liquidity Facility at the times required by Section 4.10(d)(ii) moneys for the purchase of Bonds in the amount equal to the Additional Funding Amount by submitting to such Liquidity Facility Provider in accordance with such Liquidity Facility all such documents as are required for such purpose, and (b) the Bond Trustee shall deposit the proceeds of such drawing upon the Liquidity Facility received by the Bond Trustee from the Liquidity Facility Provider into the Liquidity Facility Account of the Bond Purchase Fund with respect to the Bonds (for purposes of this paragraph (i), if the Credit Facility, if any, is also serving as a Liquidity Facility, references in this paragraph to Liquidity Facility shall be deemed to refer to Credit Facility) on the Purchase Date at the times required by Section 4.10(d)(ii); or

(ii) If the Borrower is obligated under the Loan Agreement or the terms of this Bond Indenture to provide the Purchase Price therefor, or the Borrower otherwise elects in its sole discretion to provide the Purchase Price therefor, then the Bond Trustee shall notify the Borrower at the times required by Section 4.10(d)(ii) that the amount of such excess is the amount payable by the Borrower to the Bond Trustee pursuant to Section 4.10(d)(iii) for purposes of causing the Bond Trustee to purchase, on behalf of the Borrower, Bonds having a Purchase Price equal to such excess and, thereby, for the Bond Trustee to have sufficient funds to pay the Purchase Price of all Bonds subject to purchase on such Purchase Date or, in the event Bonds bearing interest at a Daily Rate or a Weekly Rate are secured by a Liquidity Facility or a Credit Facility constituting a direct-pay letter of credit, and the Liquidity Provider or the Credit Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit Facility, as applicable, to pay the Purchase Price of tendered Bonds in connection with a Purchase Date, within 370 days after the date on which the tendered Bonds are required to be purchased. The Bond Trustee shall deposit the amount received by the Bond Trustee from the Borrower for such purpose into the Borrower Purchase Account of the Bond Purchase Fund in accordance with Section 4.10(d)(iii); or

(iii) Notwithstanding anything to the contrary contained herein, if by 10:30 a.m., New York City time, on a Window Rate Optional Purchase Date, the Remarketing Agent despite its best efforts has been unable to remarket the Bonds to be purchased on such Window Rate Optional Purchase Date at par and the Borrower, in its sole discretion, has not provided amounts for the purchase of such Bonds on the Window Rate Optional Purchase Date: (A) the Remarketing Agent

shall deliver Electronic Notice to the Bond Trustee, the Calculation Agent, the Borrower, and the Authority by 10:45 a.m., New York City time, that such Window Rate Optional Purchase Date is deemed rescinded and that such failure shall not constitute an Event of Default and shall include in such notice the principal amount of such Bonds that will not be purchased on such Purchase Date; and (B) the Bond Trustee shall promptly provide written notice to each Rating Agency of such rescission. If for any reason a Bond for which a notice of tender for purchase pursuant to Section 4.06(a)(iv) hereof has been delivered is not purchased by the last day of the applicable Remarketing Window, then (1) all such Bonds bearing interest at a Window Rate shall be subject to mandatory tender for purchase on the last day of the Mandatory Purchase Window (or, if the last day is not a Business Day, the next succeeding Business Day) after such notice is received by the Remarketing Agent (a “Window Rate Mandatory Purchase Date”) at the Purchase Price, payable in immediately available funds, and (2) the Remarketing Agent shall give notice of such Window Rate Mandatory Purchase Date to the Bond Trustee by Electronic Notice no later than the second Business Day after the end of the applicable Remarketing Window. The Bond Trustee shall give Electronic Notice of the Window Rate Mandatory Purchase Date to the Holders of the Bonds, the Borrower, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Mandatory Purchase Date from the Remarketing Agent. The failure to pay the Purchase Price of all tendered Window Bonds when due and payable on a Window Rate Mandatory Purchase Date shall constitute an Event of Default. Notwithstanding the foregoing provisions of this paragraph, the Bonds shall not be subject to mandatory tender for purchase on a Window Rate Mandatory Purchase Date if they are otherwise subject to mandatory tender for purchase pursuant to Section 4.07 hereof after the last day of the Remarketing Window and before such Window Rate Mandatory Purchase Date.

(c) [Reserved].

(d) Any moneys remaining in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account, or the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds and representing (but not exceeding) the Purchase Price of Bonds subject to purchase on the applicable Purchase Date but not tendered and delivered for purchase on the applicable Purchase Date (following the payments from such Bond Purchase Fund described in Section 4.10(e) hereof), shall be transferred by the Bond Trustee to the Undelivered Bond Payment Account of such Bond Purchase Fund not later than 3:30 p.m., New York City time, on the applicable Purchase Date (and retained therein, subject to this Section 4.11, for application in accordance with Section 4.11(e) hereof). Any moneys remaining in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account, and the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds on the applicable Purchase Date (after the payments from such Bond Purchase Fund described in Section 4.10(e) hereof and the transfer described in the preceding sentence of this Section 4.11(d)) shall be wire transferred by the Bond Trustee, in immediately available funds, prior to the close of

business on such Purchase Date, to the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower, respectively.

(e) Moneys transferred to the Undelivered Bond Payment Account of the Bond Purchase Fund with respect to the Bonds on any Purchase Date shall be applied, on or after such Purchase Date, by the Bond Trustee to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Bonds to the Bond Trustee for such purpose.

Section 4.12. Irrevocable Notice Deemed to be Tender of Bond; Undelivered Bonds.

(a) The giving of notice by a Holder of a Bond as provided in Section 4.06(a) hereof shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Bond Trustee for purchase on the relevant Purchase Date as provided in this Article IV.

(b) The Bond Trustee may refuse to accept delivery of any such Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. For purposes of this Article IV, the Bond Trustee shall determine timely and proper delivery of such Bonds and the proper endorsement of such Bonds. Such determination shall be binding on the Holders of such Bonds, the Borrower and the Remarketing Agent, absent manifest error. If any Holder of a Bond who shall have given notice of tender of purchase pursuant to Section 4.06(a) hereof or any Holder of a Bond subject to mandatory tender for purchase pursuant to Sections 4.07, 4.08 or 4.09 hereof shall fail to deliver such Bond to the Bond Trustee at the place and on the applicable Purchase Date and at the time specified in its notice or in the notice provided to the Holder, as applicable, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the Holder thereof on the Purchase Date and at the time specified, from and after the Purchase Date and time of that required delivery, (1) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this Bond Indenture; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the Purchase Price of the Undelivered Bond shall be held by the Bond Trustee in the Undelivered Bond Payment Account for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment earnings thereon), to be paid on delivery of the Undelivered Bond to the Bond Trustee at its Corporate Trust Office. Any funds held by the Bond Trustee in the Undelivered Bond Payment Account as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Section 4.13. Remarketing of Bonds; Notice of Interest Rates.

(a) Upon a mandatory tender or notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the date of such purchase in accordance with this Article IV at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase

Date up to the Maximum Interest Rate. In connection with any remarketing of Bonds upon a mandatory tender thereof, such remarketing may be, with respect to such Bonds, in whole or with respect to a portion thereof, as directed by the Borrower. No Bonds that have been tendered pursuant to Section 4.09 hereof shall be remarketed as Weekly Bonds, Two Day Bonds or Daily Bonds unless and until (i) the Liquidity Facility or Credit Facility, if applicable, has been reinstated or extended for such Bonds; (ii) an Alternate Liquidity Facility or Alternate Credit Facility has been provided for such Bonds; or (iii) the Borrower has agreed to provide a Self-Liquidity Arrangement for such Bonds.

(b) The Remarketing Agent shall offer for sale and use its best efforts to sell Liquidity Facility Bonds and Credit Facility Bonds at a price equal to the principal amount thereof plus accrued interest to the Purchase Date up to the Maximum Interest Rate. On such a Purchase Date, the proceeds of the remarketing of such Liquidity Facility Bonds or Credit Facility Bonds shall be received by the Bond Trustee on behalf of the applicable Liquidity Facility Provider or Credit Facility Provider and paid in immediately available funds to the applicable Liquidity Facility Provider or Credit Facility Provider on such Purchase Date. On such a Purchase Date, the applicable Liquidity Facility Provider or Credit Facility Provider shall notify the Bond Trustee of the Differential Interest Amount. The Bond Trustee shall pay the Differential Interest Amount to the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the date of remarketing, but only from funds available under this Bond Indenture or otherwise provided by the Borrower. Liquidity Facility Bonds or Credit Facility Bonds shall not be delivered upon remarketing unless the Bond Trustee shall have received Electronic Notice from the Liquidity Facility Provider or the Credit Facility Provider that the Liquidity Facility or the Credit Facility, as applicable, has been reinstated in accordance with its terms to the full amount of the then Required Stated Amount.

(c) The Remarketing Agent shall not knowingly remarket Bonds to the Authority, the Borrower or any affiliate thereof.

Section 4.14. The Remarketing Agent. The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it hereby. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Remarketing Agreement under which the Remarketing Agent will agree to:

(a) determine the interest rates applicable to the Bonds and give notice to the Bond Trustee of such rates and periods in accordance with Article II hereof;

(b) keep such books and records as shall be consistent with prudent industry practice; and

(c) use its best efforts to remarket the Bonds in accordance with this Bond Indenture.

The Remarketing Agent shall hold all amounts received by it in accordance with any remarketing of the Bonds pursuant to Section 4.13 hereof for the benefit of the Holders of such

tendered Bonds and shall transfer such amounts to the Bond Trustee for deposit to the Remarketing Proceeds Account created hereunder.

Section 4.15. Qualifications of Remarketing Agent; Resignation; Removal.

(a) Any Remarketing Agent shall (i) be a member of the Financial Industry Regulatory Authority or shall be a commercial bank, a national banking association or a trust company, having a combined capital stock, surplus and undivided profits of at least \$15,000,000, and (ii) be authorized by law to perform all the duties imposed upon it by this Bond Indenture.

(b) The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Bond Indenture by giving Electronic Notice to the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower. Such resignation shall take effect not earlier than the 30th day after the receipt by the Borrower of the notice of resignation. The Remarketing Agent may be removed at the direction of the Borrower at any time on 30 days prior Electronic Notice, by an instrument signed by the Borrower, filed with the Remarketing Agent, the applicable Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bond Trustee. In the event that a successor Remarketing Agent has not been appointed by the Borrower within 30 days following the notice of resignation or removal of the Remarketing Agent, the notice period for resignation or removal shall be extended for an additional 30 days, but in no event shall such notice period, including any such 30 day extension, be longer than 60 days.

Section 4.16. Successor Remarketing Agents.

(a) Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Remarketing Agent hereunder.

(b) In the event that the Remarketing Agent has given notice of resignation or has been notified of its impending removal in accordance with Section 4.15(b) hereof, the Borrower shall appoint a successor Remarketing Agent that meets the requirements of Section 4.15(a) above.

(c) In the event that the Remarketing Agent shall resign, be removed or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Borrower shall not have appointed its successor, and, if no appointment is made within 30 days, the Authority shall apply to a court of competent jurisdiction for such appointment. Nothing herein shall require any Remarketing Agent that has resigned or been removed to remain as Remarketing Agent beyond the notice period required by Section 4.15(b) hereof.

Section 4.17. Termination of Liquidity Facility or Credit Facility Prior to Expiration Date; Purchase by Liquidity Facility Provider or Credit Facility Provider; Notices.

(a) The obligation of the Liquidity Facility Provider to provide funds for the purchase of tendered Bonds pursuant to the Liquidity Facility may be terminated or suspended automatically and without prior notice upon the occurrence of certain defaults as shall be set forth in the Liquidity Facility.

(b) If an Immediate Termination Date of the Liquidity Facility occurs, the Bond Trustee shall as soon as practicable upon receiving written notice thereof provide Electronic Notice to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Holders of all Outstanding Bonds the payment of the Purchase Price of which is supported by such Liquidity Facility that the Liquidity Facility has been terminated effective as of such Immediate Termination Date and the reasons therefor, that the Bond Trustee will no longer be able to draw on the Liquidity Facility to purchase Bonds and the Liquidity Facility Provider will be under no obligation to advance funds or to purchase Bonds under the Liquidity Facility; provided, however, that if the Bond Trustee is unable to provide Electronic Notice to the Bondholders because it does not have the necessary contact information to do so, it shall provide written notice to the Bondholders.

(c) Following the Noticed Termination Date, the Bond Trustee will no longer be able to draw on the Liquidity Facility or Credit Facility, as applicable, to purchase Bonds. Promptly upon the receipt of notice of the proposed Noticed Termination Date from the Liquidity Facility Provider or the Credit Facility Provider, as applicable, but in no event more than three Business Days after receipt, the Bond Trustee shall provide Electronic Notice to the Borrower, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Holders of all Outstanding Bonds supported by such Liquidity Facility or Credit Facility, as applicable, of the Noticed Termination Date and the proposed Mandatory Purchase Date for such Bonds, which Purchase Date shall be no later than five days prior to the Noticed Termination Date; provided, however, that if the Bond Trustee is unable to provide Electronic Notice to the Bondholders because it does not have the necessary contact information to do so, it shall provide written notice to the Bondholders. In addition, at least 14 days prior to the Expiration Date of the Liquidity Facility or Credit Facility, as may be applicable, the Bond Trustee shall also give notice to the Holders of Outstanding Bonds of the Expiration Date for the Liquidity Facility or the Credit Facility and the proposed Mandatory Purchase Date for such Bonds, which shall be no later than one Business Day prior to the Expiration Date, or, in the case of a delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, shall be the effective date of delivery of, and acceptance by the Bond Trustee of, such Alternate Liquidity Facility or Alternate Credit Facility. Each such notice shall be given by Electronic Means and first class mail and shall (i) state that the Bond Trustee may no longer draw on the Liquidity Facility or Credit Facility (and the Liquidity Facility Provider or Credit Facility Provider will have no obligation) to purchase (or provide funds for the purchase of) Bonds after the proposed Noticed Termination Date or the Expiration Date, as the case may be, (ii) specify the Noticed Termination Date or the Expiration Date, as the case may be and the applicable Mandatory Purchase Date, (iii) state that the Eligible Bonds are subject to mandatory tender for purchase on the applicable Mandatory Purchase Date,

(iv) specify, if, but only if applicable, that the Borrower will be the only party obligated to purchase Eligible Bonds after the Noticed Termination Date or the Expiration Date, and (v) state that all Eligible Bonds (if subject to mandatory purchase) must be delivered for purchase to the Bond Trustee and that on such Mandatory Purchase Date, the Bond Trustee expects to hold moneys equal to the Purchase Price for all Eligible Bonds in trust for the Holders of such Eligible Bonds, which moneys will be paid upon surrender of such Eligible Bonds to the Bond Trustee. Any notice given substantially as provided in this subsection (c) shall be conclusively presumed to have been duly given, whether or not actually received by each Bondholder.

(d) Upon receipt of the notice specified in (c) above, and if said notice provides that all Eligible Bonds are subject to mandatory purchase, all Holders of Outstanding Eligible Bonds shall be required to tender their Bonds to the Bond Trustee for purchase on such Mandatory Purchase Date. In addition, in the event that a Holder of Bonds has delivered a tender notice pursuant to Section 4.06(a) on or prior to the date on which the Liquidity Facility Provider or Credit Facility Provider has sent notice to the Bond Trustee of the proposed Noticed Termination Date or the Expiration Date with a Purchase Date to occur on or after the date of such notice (but prior to the Noticed Termination Date or the Expiration Date), the Bonds to which such tender notice relates shall be purchased by the Bond Trustee on such Purchase Date. Any Eligible Bond so delivered shall be purchased by the Bond Trustee at a Purchase Price equal to the principal amount thereof plus accrued interest to the Purchase Date (unless such date is an Interest Payment Date, in which case the Purchase Price will be the principal amount of such Bond).

Section 4.18. Insufficient Funds for the Payment of Purchase Price.

(a) If the funds available for the purchase of Bonds subject to purchase on a Purchase Date are insufficient to purchase all of such Bonds on such Purchase Date (including Undelivered Bonds), then no purchase of any Bond shall occur on such Purchase Date and, on such Purchase Date, the Bond Trustee shall (i) return all of such Bonds that were tendered to the Holders thereof, and (ii) return all moneys received by the Bond Trustee for the purchase of such Bonds to the respective Persons that provided such moneys (in the respective amounts in which such moneys were so provided).

(b) The failure to purchase Bonds on a Purchase Date shall constitute an Event of Default, provided, however, the failure to purchase Bonds on any of the following dates or events shall not constitute an Event of Default: (i) a Window Rate Optional Purchase Date; (ii) in connection with a VRO Interest Rate Period Failed Remarketing Event; (iii) a Borrower Elective Purchase Date; (iv) an FRN Rate Soft Put Mandatory Purchase Date; and (v) a Conversion from Bonds operating in the Fixed Period. Provided, further, that failure of the Borrower to pay when due the Additional Funding Amount pursuant to Section 4.10(d)(iii) hereof and Section 4.05 of the Loan Agreement in connection with a Purchase Date while the Bonds bear interest at a Daily Rate or Weekly Rate and are supported by a Liquidity Facility or a Credit Facility, as applicable, shall not constitute an Event of Default or a Loan Default Event if (i) the failure is the result of failure of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit

Facility, as applicable, to pay the Purchase Price of the tendered Bonds and (ii) the Additional Funding Amount required to pay the Purchase Price of the tendered Bonds with respect to which the failure occurred is deposited with the Bond Trustee and applied to pay the Purchase Price of the tendered Bonds, within 370 days after the date on which such tendered Bonds were required to be purchased.

(c) Subject to the provisions of paragraphs (d) through (i) below, if Bonds are not purchased when required pursuant to Section 4.06(a) hereof or Section 4.07(a) hereof, all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all of such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture.

(d) If Daily Bonds, Two Day Bonds or Weekly Bonds are not purchased on a Borrower Elective Purchase Date, then such Daily Bonds, Two Day Bonds or Weekly Bonds shall continue to bear interest at a Daily Rate, Two Day Rate or Weekly Rate, as applicable, as determined as provided in Sections 2.04, 2.05 and 2.06 hereof, respectively.

(e) If FRN Rate Soft Put Bonds are not purchased on an FRN Rate Soft Put Mandatory Purchase Date, the FRN Rate Soft Put Bonds shall bear interest at the FRN Rate, calculated with an FRN Spread equal to 400 basis points (4%) or such other FRN Spread as may be specified in connection with a Conversion to an FRN Interest Rate Period, or, if less, the Maximum Interest Rate, from such FRN Rate Soft Put Mandatory Purchase Date until such time, if any, as all of the FRN Rate Soft Put Bonds are remarketed.

(f) If Window Bonds are not purchased on a Window Rate Optional Purchase Date or on a Borrower Elective Purchase Date, then such Window Bonds shall continue to bear interest as determined in accordance with Section 2.12 hereof.

(g) If VRO Bonds are not purchased on a VRO Interest Rate Period Purchase Date, then such VRO Bonds shall continue to bear interest as determined in accordance with Section 2.11 hereof.

(h) If Fixed Bonds are not purchased on a Purchase Date related to a Conversion of such Bonds, then such Fixed Bonds shall continue to bear interest at the interest rates in effect prior to such proposed Conversion Date.

(i) Notwithstanding the foregoing, if Bonds bearing interest at a Daily Rate or a Weekly Rate are not purchased when required due to the Liquidity Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the Bonds pursuant to a Liquidity Facility (that is not also a Credit Facility), all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture. During such period that the Bonds bear interest at the Maximum Interest Rate, the applicable Remarketing Agent shall resume setting the Daily Rate on the applicable Purchase Date, as set forth in Section 2.04, and will continue to set the Weekly Rate, as set forth in

Section 2.06, although the interest rate on the Bonds will be the Maximum Interest Rate until such unpurchased Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket Bonds during such period, unless the Remarketing Agent agrees in its sole discretion, at the request of the Borrower, and can cease such remarketing at the Remarketing Agent's sole option. The Bond Trustee shall continue to take all such action available to it to obtain funds from the applicable Liquidity Facility Provider, the Remarketing Agent or the Borrower to pay the Purchase Price of such tendered Bonds. When the Bond Trustee has received sufficient funds to pay the Purchase Price of the tendered Bonds, the Bond Trustee must immediately notify the Holders and the Holders must surrender their Bonds to the Bond Trustee for payment of the Purchase Price of such tendered Bonds.

(j) Notwithstanding the foregoing, if Bonds bearing interest at a Daily Rate or a Weekly Rate are not purchased when required due to the Credit Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the Bonds pursuant to a Credit Facility constituting a direct-pay letter of credit, all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture. During such period that the Bonds bear interest at the Maximum Interest Rate, the applicable Remarketing Agent shall resume setting the Daily Rate on the applicable Purchase Date, as set forth in Section 2.04, and will continue to set the Weekly Rate, as set forth in Section 2.06, although the interest rate on the Bonds will be the Maximum Interest Rate until such unpurchased Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket Bonds during such period, unless the Remarketing Agent agrees in its sole discretion, at the request of the Borrower, and can cease such remarketing at the Remarketing Agent's sole option. The Bond Trustee shall continue to take all such action available to it to obtain funds from the applicable Credit Facility Provider, the Remarketing Agent or the Borrower to pay the Purchase Price of such tendered Bonds. When the Bond Trustee has received sufficient funds to pay the Purchase Price of the tendered Bonds, the Bond Trustee must immediately notify the Holders and the Holders must surrender their Bonds to the Bond Trustee for payment of the Purchase Price of such tendered Bonds.

Section 4.19. Liquidity Facility; Self-Liquidity Arrangement; Alternate Liquidity Facility.

(a) The Borrower may provide for delivery to the Bond Trustee of a Liquidity Facility pursuant to the provisions of Section 5.04 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement.

(b) Prior to the expiration or termination of a Liquidity Facility in accordance with the terms of that Liquidity Facility, the Borrower may provide for the delivery to the Bond Trustee of an Alternate Liquidity Facility pursuant to Section 5.04 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement. Any Alternate Liquidity Facility or Self-Liquidity Arrangement delivered to the Bond Trustee pursuant to this Section 4.19(b) shall meet the requirements of Section 5.04 of the Loan Agreement (Section 5.05 of the Loan Agreement in the case of

the Self-Liquidity Arrangement) and shall be delivered as provided in the Loan Agreement and shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent.

(c) If at any time there is delivered to the Bond Trustee (i) an Alternate Liquidity Facility or Self-Liquidity Arrangement, (ii) the information, opinions and data required by Section 5.04 or 5.05 of the Loan Agreement, as the case may be, and (iii) all information required to give the notice of mandatory tender for purchase of the Bonds, then the Bond Trustee shall accept such Alternate Liquidity Facility or Self-Liquidity Arrangement. The Bond Trustee shall surrender the Liquidity Facility pursuant to Section 4.19(d) hereof.

(d) If an Alternate Liquidity Facility or a Self-Liquidity Arrangement is delivered to the Bond Trustee and accepted pursuant to this Section 4.19, then the Bond Trustee shall surrender the existing Liquidity Facility for cancellation; provided that no Liquidity Facility shall be surrendered until after the date on which Purchased Bonds have been purchased or deemed purchased in accordance with the provisions of this Bond Indenture. If a Liquidity Facility terminates or is no longer required to be maintained hereunder, the Bond Trustee shall surrender such Liquidity Facility to the Liquidity Facility Provider for cancellation in accordance with the terms of the Liquidity Facility. Upon the defeasance of the Bonds pursuant to this Bond Indenture and if, at such time, the Bonds are no longer subject to tender for purchase, the Bond Trustee shall surrender the Liquidity Facility, if any, to the Liquidity Facility Provider for cancellation in accordance with the terms of the Liquidity Facility. The Bond Trustee shall comply with the procedures set forth in each Liquidity Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Liquidity Facility in accordance with the provisions thereof.

Section 4.20. Credit Facility; Self-Liquidity Arrangement; Alternate Credit Facility; Delivery of Credit Facility to Replace Liquidity Facility or Self-Liquidity Arrangement; Surrender of Credit Facility.

(a) The Borrower may provide for the delivery to the Bond Trustee a Credit Facility pursuant to Section 5.06 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement.

(b) If there is delivered to the Bond Trustee (i) an Alternate Credit Facility covering the Bonds in accordance with Section 5.06 of the Loan Agreement, (ii) a Favorable Opinion of Bond Counsel with respect to the Series 2024B-2 Bonds, and (iii) if the Credit Facility then in effect with respect to the Bonds does not cover premiums due on the Bonds, and the Bonds would be subject to mandatory tender for purchase at a Purchase Price in excess of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase, Eligible Moneys in an amount sufficient to pay the premium due on the Bonds, then the Bond Trustee shall accept such Alternate Credit Facility.

(c) If a Liquidity Facility or a Self-Liquidity Arrangement is in effect with respect to the Bonds, a Credit Facility covering the Bonds may be delivered to the Bond Trustee if all of the conditions set forth in the immediately preceding paragraph regarding the delivery of an Alternate Credit Facility for the Bonds are satisfied.

(d) If an Alternate Credit Facility or Self-Liquidity Arrangement is delivered to the Bond Trustee and accepted pursuant to this Section 4.20, then the Bond Trustee shall surrender the existing Credit Facility for cancellation; provided that no Credit Facility shall be surrendered until after the date on which Purchased Bonds have been purchased or deemed purchased in accordance with the provisions of this Bond Indenture. If a Credit Facility terminates or is no longer required to be maintained hereunder, the Bond Trustee shall surrender such Credit Facility to the Credit Facility Provider for cancellation in accordance with the terms of the Credit Facility. Upon the defeasance of the Bonds pursuant to this Bond Indenture and if, at such time, the Bonds are no longer subject to tender for purchase, the Bond Trustee shall surrender the Credit Facility, if any, to the Credit Facility Provider for cancellation in accordance with the terms of the Credit Facility. The Bond Trustee shall comply with the procedures set forth in each Credit Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Credit Facility in accordance with the provisions thereof.

ARTICLE V FUNDS AND ACCOUNTS

Section 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Authority hereby pledges and assigns to the Bond Trustee all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Bond Indenture (except the Rebate Fund and the Bond Purchase Fund) to secure, first, the payment of the principal, Redemption Price and Purchase Price of and interest on the Bonds (including, without limitation, Liquidity Facility Bonds and Credit Facility Bonds) in accordance with their terms and the provisions of this Bond Indenture and, second, the payment of Reimbursement Obligations and the performance and observance of the obligations of the Borrower under any Credit Facility or Liquidity Facility.

(b) The Authority hereby transfers in trust, grants a security interest in and lien and charge on and assigns to the Bond Trustee, for the benefit of the Owners from time to time of the Bonds (including, without limitation, Liquidity Facility Bonds and Credit Facility Bonds) and for the benefit of any Credit Facility Provider or any Liquidity Facility Provider with respect to Reimbursement Obligations, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Loan Agreement (except for the right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Unassigned Rights) and the Master Note. The Authority will also cause the Master Note to be registered in the name of the Bond Trustee. The Bond Trustee shall be entitled to and shall collect and receive all

of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Bond Trustee and shall forthwith be paid by the Authority to the Bond Trustee. The Bond Trustee also shall be entitled to and may take all steps, actions and proceedings reasonably necessary in its good faith judgment to enforce all of the rights of the Authority and all of the obligations of the Borrower under the Loan Agreement and the Master Note. Notwithstanding the foregoing, any Revenues transferred by the Borrower directly to a Credit Facility Provider pursuant to a Credit Facility or to a Liquidity Facility Provider pursuant to a Liquidity Facility shall not be required to be collected and received by the Bond Trustee and the Bond Trustee shall have no duty to collect and receive such Revenues.

Section 5.02. Project Fund.

(a) Creation of Project Fund. A special fund is hereby created and designated "Series 2024B-2 Project Fund" (herein called the "Project Fund") and shall be maintained under this Bond Indenture, to the credit of which such deposits of a portion of the proceeds of the Bonds shall be made. The Expenses Account is created within the Project Fund.

The moneys in the Project Fund shall be held by the Bond Trustee. The moneys in the Project Fund shall be applied to the payment of all Costs of the Project (including the costs of the Refunding Project) and, pending such application, shall be subject to a lien and charge in favor of the Bond Trustee on behalf of the holders of the Bonds issued and Outstanding under this Bond Indenture and for the further security of such holders until paid out or transferred as herein provided. Any funds remaining in the Expenses Account after paying all costs of issuance and related costs shall be transferred in the same manner.

(b) Use of Project Fund Moneys. Payment of the Costs of the Project (including the costs of the Refunding Project), shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article. Moneys in the Project Fund may be invested as permitted by Section 5.08 hereof.

(c) Payments from Project Fund. Moneys in the Project Fund shall be disbursed only upon the direction of the Borrower, pursuant to a requisition signed by the Borrower, substantially in the form of Exhibit C hereof, solely to pay the Costs of the Project (including the costs of the Refunding Project). The Bond Trustee shall have no duty to review invoices or to verify that the person being paid pursuant to a requisition has performed the work or services or that the Borrower has received the items for which such person is being paid, or that there are adequate funds to complete the Capital Project.

(d) Reserved.

(e) Initial Disposition of Bond Proceeds. On the Closing Date, the Bond Trustee shall deposit the net proceeds of the Series 2024B-2 Bonds in the amount of \$[____], as evidenced by the Closing Statement, to the Project Fund and apply such proceeds as follows:

(i) \$[] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee and escrow agent of the TJU 2015A Bonds, to pay the principal of, premium if any and interest on the TJU 2015A Bonds, plus fees and expenses, on the applicable payment dates and redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee; and

(ii) Transfer \$[] from the Project Fund to the Expenses Account to be applied for the payment of costs related to the issuance of the Bonds.

Section 5.03. Revenue Fund.

(a) All Revenues shall be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the “Revenue Fund,” which the Bond Trustee shall establish, maintain and hold in trust. The Bond Trustee shall also establish and maintain a separate subaccount for each series of Bonds within the Revenue Fund. All Revenues deposited with the Bond Trustee shall be held, disbursed, allocated and applied by the Bond Trustee only as provided in this Bond Indenture.

(b) If, on the date any Loan Repayment or payment upon the Master Note is due, the Bond Trustee does not receive such payment, the Bond Trustee immediately shall request the Master Trustee to give immediate Electronic Notice or telephonic notice promptly confirmed in writing to the Borrower of the nonpayment.

(c) During the period that any of the Bonds are supported by a Credit Facility, all payments on the Eligible Bonds shall be made, to the extent available, first from draws on the Credit Facility, which shall be deposited directly in the Credit Facility Interest Account of the Interest Fund, the Credit Facility Principal Account of the Bond Sinking Fund or the Credit Facility Redemption Account of the Optional Redemption Fund, as the case may be. Principal or Redemption Price of and interest on non-Eligible Bonds may be paid from moneys other than Eligible Moneys. The Bond Trustee is hereby instructed to draw amounts under the Credit Facility at such times hereinafter set forth and pursuant to draw requests submitted at such times so as to assure that Eligible Moneys will be available to make when due all payments of principal of and interest on the Eligible Bonds. The foregoing notwithstanding, Loan Repayments or payments on the Master Note to be applied to pay interest on, principal of or the Redemption Price of non-Eligible Bonds shall be transferred when received to the Interest Fund, Bond Sinking Fund or Optional Redemption Fund, respectively, provided that no such payments shall be deposited in the Credit Facility Interest Account of the Interest Fund, the Credit Facility Principal Account of the Bond Sinking Fund or the Credit Facility Redemption Account of the Optional Redemption Fund.

Section 5.04. Interest Fund.

(a) The Bond Trustee shall establish and maintain so long as any of the Bonds are outstanding a fund to be known as the “Series 2024B-2 Bonds Interest Fund” (the “Interest Fund”); provided, however, that while the Bonds are in a Direct Purchase Period and if the Borrower is making all payments of principal of and interest on the Bonds

directly to the Direct Purchaser, the Bond Trustee is not required to establish the Interest Fund. If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish and maintain a separate and segregated account in the Interest Fund designated the “Series 2024B-2 Bonds Credit Facility Interest Account” (the “Credit Facility Interest Account”).

(b) With respect only to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on each Interest Payment Date or redemption date or upon acceleration in an amount equal to the amount of interest due and payable on the Eligible Bonds on such Interest Payment Date or redemption date or upon acceleration. All proceeds of such interest drawings drawn under the Credit Facility received in connection with the scheduled payment of interest on the Bonds, redemption of the Bonds or the acceleration of the Bonds prior to maturity shall be deposited in the Credit Facility Interest Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Bonds and until applied as herein provided.

(c) On each Interest Payment Date, the Bond Trustee shall deposit in the Interest Fund from the Revenue Fund moneys in an amount which, together with the amounts already on deposit therein and available to make such payment, other than in the Credit Facility Interest Account, is not less than the interest becoming due on the Bonds on such date.

(d) With respect to Bonds that have the benefit of a Credit Facility, payments of interest on the Eligible Bonds (other than interest payable on Bonds to be paid out of the Optional Redemption Fund as described in Section 5.06 hereof) shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Interest Account of the Interest Fund. Interest on non-Eligible Bonds shall be paid from amounts deposited in the Interest Fund (other than in the Credit Facility Interest Account thereof) which represent Loan Repayments or payments on the Master Note. Any funds remaining on deposit in the Interest Fund (exclusive of the Credit Facility Interest Account) on any Interest Payment Date after payment in full of all interest due on the Bonds on such date shall be promptly transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the interest portion of the draw on the Credit Facility on such date.

(e) In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the written request of the Borrower, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Bonds remaining outstanding on the first Interest Payment Date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal of and interest on the Bonds to be redeemed or defeased (or to reimburse the Credit Facility Provider for a draw on the Credit Facility) or as otherwise directed by the Borrower if the Bond Trustee shall have received a Favorable Opinion of Bond Counsel.

(a) The Bond Trustee shall establish and maintain so long as any of the Bonds are outstanding a fund to be known as the “Series 2024B-2 Bonds Bond Sinking Fund (the “Bond Sinking Fund”); provided, however, that during a Direct Purchase Period and if the Borrower is making all payments of principal of and interest on the Bonds directly to the Direct Purchaser, the Bond Trustee is not required to establish the Bond Sinking Fund. If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish a separate account within the Bond Sinking Fund to be known as the “Series 2024B-2 Bonds Credit Facility Principal Account” (the “Credit Facility Principal Account”).

(c) On each Sinking Fund Installment date established pursuant to Section 5.05(d) hereof and each Maturity Date, after making the deposit required by Section 5.04 hereof, the Bond Trustee shall deposit in the Bond Sinking Fund from the Revenue Fund moneys in an amount which, together with any moneys already on deposit in the Bond Sinking Fund and available to make such payment (other than in the Credit Facility Principal Account) is not less than the principal becoming due on the Bonds on such dates.

Sinking Fund Installment/Maturity Date (September 1)	Sinking Fund Installment
*	
* Maturity Date.	

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(a) There is established with the Bond Trustee and maintained so long as any of the Bonds are outstanding a separate fund to be known as the “Series 2024B-2 Bonds Optional Redemption Fund” (the “Optional Redemption Fund”). If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish a separate account within the Optional Redemption Fund to be known as the “Series 2024B-2 Bonds Credit Facility Redemption Account” (the “Credit Facility Redemption Account”). In the event of (i) prepayment by or on behalf of the Borrower of Loan Repayments or amounts payable on the Master Note, including prepayment with condemnation or insurance proceeds or proceeds of a sale consummated under threat of condemnation, or (ii) deposit with the Bond Trustee by the Borrower or the Authority of moneys from any other source for redeeming Bonds or purchasing Bonds for cancellation, such moneys shall, except as otherwise provided in this Bond Indenture, be deposited in the Optional Redemption Fund. Moneys on deposit in the Optional Redemption Fund shall be used, first, to make up any deficiencies existing in the Interest Fund and the Bond Sinking Fund (in the order listed) and, second, for the redemption or purchase of Bonds in accordance with the provisions of Article IV hereof; provided, however, that with respect to Bonds that have the benefit of a

Credit Facility, the Bond Trustee shall redeem the Bonds to be redeemed in accordance with the following paragraph (b) and any funds remaining on deposit in the Optional Redemption Fund (exclusive of the Credit Facility Redemption Account) on any date on which Bonds are optionally redeemed, after payment in full of the Redemption Price of all Bonds redeemed on such date from amounts on deposit in the Credit Facility Redemption Account of the Optional Redemption Fund, shall be transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the draw made on the Credit Facility on such date to pay such Redemption Price.

(b) The Bond Trustee shall with respect only to Bonds that have the benefit of a Credit Facility which are to be optionally redeemed in accordance with the provisions of this Bond Indenture take such actions as are necessary to receive funds under the Credit Facility in (i) an amount which is equal to the principal amount of the Eligible Bonds to be so redeemed and (ii) an amount equal to the amount of interest due and owing on the Eligible Bonds to be so redeemed to the redemption date. Notwithstanding the foregoing, the Bond Trustee need not draw funds under the Credit Facility in order to optionally redeem Bonds, if an unqualified opinion of nationally recognized bankruptcy counsel is delivered to the Bond Trustee and Moody's (if Moody's is then a Rating Agency for the Bonds) to the effect that such condemnation, sale or insurance proceeds, as the case may be, are Eligible Moneys. All proceeds of drawings under the Credit Facility to make timely redemption or maturity payments (including payments of interest accruing on such Bonds to the redemption date) shall be deposited in the Credit Facility Redemption Account or Credit Facility Principal Account, as applicable, and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Eligible Bonds until applied as provided herein. With respect to Bonds that have the benefit of a Credit Facility, payments of the Redemption Price of Eligible Bonds to be redeemed pursuant to Section 4.01 hereof (including interest accrued on such Bonds to the redemption date) shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Redemption Account.

Section 5.07. Investment of Funds.

(a) Upon a Written Request of the Borrower to the Bond Trustee, moneys in the Project Fund, the Revenue Fund, the Interest Fund, the Bond Sinking Fund, the Optional Redemption Fund, the Rebate Fund and any other fund or account established hereunder shall be invested in Qualified Investments specified by the Borrower. The Bond Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments and such written instructions shall be deemed to be a certification that such directed investments constitute Qualified Investments. The Bond Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees. Qualified Investments shall be purchased at such prices as the Borrower may direct. All Qualified Investments shall be acquired subject to the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by the written request of the Borrower. No such request

of the Borrower shall impose any duty on the Bond Trustee inconsistent with its fiduciary responsibilities. In the absence of written directions from the Borrower, the Bond Trustee shall hold such amounts uninvested in cash, without liability for interest. Notwithstanding anything else in this Bond Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Bond Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Bond Indenture shall constitute a waiver of any of the Bond Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206. To the extent permitted by law, the Borrower and the Authority specifically waive compliance with 12 C.F.R. 12 and hereby notify the Bond Trustee that no brokerage confirmations need to be sent relating to the security transactions as they occur. Notwithstanding the foregoing, to the extent the Bond Trustee receives and invests amounts under this Bond Indenture, the Bond Trustee shall provide the Borrower and the Authority with periodic cash transactions statements which shall include details for all investment transactions made by the Bond Trustee hereunder. In the event that any fund or account holds more than one type of investment, and a situation requires the sale of an investment to create the necessary liquidity, the Borrower will provide written direction to the Bond Trustee regarding the sale of the investments.

(b) Unless otherwise specifically provided herein, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Bond Indenture shall be deposited when received in such fund or account.

(c) All proceeds of remarketing of Bonds and all proceeds of a drawing upon the Credit Facility or the Liquidity Facility shall be held by the Bond Trustee uninvested in an Eligible Account (as defined in Section 4.10(a)(iii) hereof) and shall not be commingled and shall be applied to the payment of Eligible Bonds only. Eligible Moneys held for the redemption or payment of Bonds shall not be commingled with any other funds held under this Bond Indenture. In the event that an account required to be an Eligible Account no longer complies with the requirement, the Bond Trustee should promptly upon having notice of such event (and in any case, within not more than 30 calendar days of such notice) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

(d) All income from investments on deposit in the Rebate Fund shall be retained therein.

(e) The Bond Trustee shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Bond Indenture. The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Bond Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Bond Trustee or for any third person or dealing as principal for its own account. The Parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice.

Section 5.08. Draws Upon Credit Facility. If a Credit Facility is in effect with respect to the Bonds, prior to using any other funds, if the Credit Facility is a letter of credit, the Bond Trustee shall, prior to 2:00 p.m., New York City time, on the Business Day immediately prior to each Interest Payment Date or each date on which principal or a Sinking Fund Installment is due, draw upon such Credit Facility in accordance with its terms in the amount necessary to fully provide for payments due on the Eligible Bonds on each such Interest Payment Date and on each date on which principal or a Sinking Fund Installment is due, as the case may be (for deposit in the Credit Facility Interest Account or the Credit Facility Principal Account, as applicable). In the event that the Credit Facility Provider fails to honor the drawing on the Credit Facility or the Credit Facility is repudiated with respect to the regularly scheduled payment of the principal of and interest on the Bonds, the Bond Trustee shall apply amounts on deposit in the Revenue Fund to pay principal of or interest on the Bonds, and shall make immediate demand upon the Borrower for payment of such amounts in the event of any deficiency or shortfall in the Revenue Fund.

Section 5.09. Trust Funds. All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall, except as provided in Section 4.10 hereof, be trust funds under the terms hereof for the benefit of all Bonds outstanding hereunder (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Authority or the Borrower. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

Section 5.10. Rebate Fund. The Bond Trustee shall establish and maintain a separate account to be known as the "Series 2024B-2 Bonds Rebate Fund" (the "Rebate Fund"). The Bond Trustee shall make information regarding the Series 2024B-2 Bonds and investments under the Rebate Fund available to the Borrower and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund and shall maintain records for each investment relating to the purchase price thereof.

If a deposit to the Rebate Fund is required as a result of the computations made by the Borrower pursuant to the Tax Certificate, the Bond Trustee shall, upon receipt of written direction from the Borrower, accept such payment and deposit such payment in the Rebate Fund for the benefit of the Borrower. Records of the actions required by this Bond Indenture shall be retained by the Bond Trustee until six years after the Series 2024B-2 Bonds have matured or have been redeemed or such longer period as required by the Bond Trustee's policies and procedures.

If at any time the Borrower is required to retain a Rebate Analyst to calculate the Rebate Amount but fails to deliver a report to the Bond Trustee in a timely manner, then the Authority shall retain a Rebate Analyst, at the expense of the Borrower, to calculate the Rebate Amount.

Section 5.11. Establishment of Subaccounts. The Bond Trustee may, from time to time, create one or more subaccounts under any fund or account established hereunder as it may deem

necessary, administratively desirable or prudent in carrying out its duties under this Bond Indenture.

ARTICLE VI PARTICULAR COVENANTS

Section 6.01. Payment of Principal, Redemption Price, Purchase Price and Interest. Subject to the limited source of payment hereinafter referred to, the Authority covenants that it will promptly pay or cause to be paid the principal, Redemption Price and Purchase Price of and interest on the Bonds issued under this Bond Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal, Redemption Price and Purchase Price of and interest on the Bonds are payable solely from Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Bond Indenture (other than the Rebate Fund and the Bond Purchase Fund), including certain funds drawn or advanced under the Credit Facility, if any, or the Liquidity Facility, if any, which is specifically pledged hereunder to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Bond Indenture shall be considered or construed as pledging any funds or assets of the Authority, other than those pledged hereby, or creating any liability of the Authority's Indemnified Parties.

Section 6.02. Performance of Covenants; Legal Authorization. The Authority covenants that it will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in this Bond Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto required on its part to be performed or observed. The Authority represents that it is duly authorized under the Constitution and laws of the Commonwealth to issue the Bonds authorized hereby, to execute this Bond Indenture, to assign the Loan Agreement (other than the right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Unassigned Rights) and the Master Note, and to pledge and assign the Revenues and the other assets purported to be pledged and assigned in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken; and that following due authentication by the Bond Trustee, the Bonds in the hands of the owners thereof, as shown on the register maintained by the Bond Trustee, are and will be valid and enforceable obligations of the Authority according to the import thereof.

Section 6.03. Instruments of Further Assurance; Against Encumbrances. The Authority agrees that the Bond Trustee may defend its rights to the payments and other amounts due under the Loan Agreement for the benefit of the Owners of the Bonds against the claims and demands of all persons whomsoever. The Authority covenants that it will, at the Borrower's cost, do, execute, acknowledge and deliver such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Bond Trustee all and singular the rights assigned and the amounts pledged to the payment of the principal of and premium, if any, and interest on the Bonds. The Authority covenants and

agrees that, except as herein provided, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Revenues, or its rights thereunder.

Section 6.04. Rights under the Loan Agreement and the Master Note. The Bond Trustee shall promptly collect all amounts due from the Borrower and the Obligated Group, as applicable, pursuant to the Loan Agreement and the Master Note, and shall, subject to the provisions of this Bond Indenture, exercise all rights assigned to it pursuant to the Loan Agreement and, in the case of an Event of Default, shall, subject to the provisions of this Bond Indenture, enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority, whether or not the Authority has undertaken to enforce such rights, and all of the obligations of the Borrower and the Obligated Group, as applicable, under the Loan Agreement and the Master Note.

Section 6.05. Tax Covenants. The Authority shall at all times do and perform all acts and things reasonably within its control which are necessary or desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and shall take no action reasonably within its control that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Authority agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

Section 6.06. Amendment of Loan Agreement; Other Covenants. The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement or consent to any such amendment, modification or termination without the written consent of the Bond Trustee and, while a Credit Facility or Liquidity Facility is in effect, of the Credit Facility Provider or Liquidity Facility Provider. The Bond Trustee shall give such written consent only if (1) in the opinion of Bond Counsel, such amendment is necessary to preserve the exclusion of interest on the Series 2024B-2 Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Bonds from Commonwealth income taxation; (2) in the Opinion of Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds; or (3) the Owners of a majority in principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination. No amendment, modification or termination of the Loan Agreement shall reduce the amount of Loan Repayments to be made to the Authority or the Bond Trustee by the Borrower pursuant to the Loan Agreement, or extend the time for making such payments, without the written consent of all of the Owners of Bonds then Outstanding. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon an Opinion of Counsel to the effect that the amendment is authorized and permitted by the terms of the Loan Agreement and complies with the terms hereof. The Bond Trustee may, but shall not be obligated to, consent to any amendment that affects the Bond Trustee's own rights, duties, liabilities or immunities.

Section 6.07. Continuing Disclosure. Pursuant to Section 5.03 of the Loan Agreement, the Borrower has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other Person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Bond Indenture, failure of the Borrower or the Dissemination Agent (as defined in the Continuing

Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds and being provided indemnification satisfactory to it, shall) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 5.03 of the Loan Agreement or to cause the Bond Trustee to comply with its obligations under this Section.

Section 6.08. Release and Substitution of the Master Note upon Delivery of Replacement Master Indenture. The Bond Trustee shall, within ten days of receipt of notice from the Master Trustee, surrender the Obligations to the Master Trustee upon presentation to the Bond Trustee of the following:

(1) An original replacement note or similar obligation (the "Substitute Obligation") issued under and pursuant to and secured by a master trust indenture (the "Replacement Master Indenture") executed by one or more entities (collectively, the "New Group") and an independent corporate trustee (the "New Trustee"), which Substitute Obligation has been duly authenticated by the New Trustee under the terms of the Replacement Master Indenture and is in a principal amount, bears interest, has prepayment terms and is otherwise of similar tenor to the Master Note;

(2) An Opinion of Counsel addressed to the Bond Trustee to the effect that: (1) the Replacement Master Indenture has been duly authorized, executed and delivered by each member of the New Group, the Substitute Obligation has been duly authorized, executed and delivered by the Obligated Group and the Replacement Master Indenture and the Substitute Obligation are each a legal, valid and binding obligation of each member of the New Group, subject in each case (A) to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity; (B) to the qualification that the provisions of the Replacement Master Indenture and the Substitute Obligation requiring payments to be made thereunder may not be enforceable if such payments (i) are requested with respect to payments on any Substitute Obligation which was issued for a purpose which is not consistent with the charitable purposes of the Members of the Obligated Group as expressed in the Articles of Incorporation and Bylaws of the Members of the Obligated Group or which was incurred or issued for the benefit of any entity other than a nonprofit corporation which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code; (ii) are requested to be made from any assets which are donor restricted or which are subject to a direct, express or charitable trust which does not permit the use of such assets for such payments; (iii) would result in the cessation or discontinuation of any material portion of the education, academic medical and health care or related services previously provided by the Members of the Obligated Group; or (iv) are requested to be made pursuant to any loan which violates applicable usury laws; and (C) to the qualification that the enforcement of any indemnification provisions of the Replacement Master Indenture may be limited by applicable securities laws or public policy; (2) all requirements and conditions to the issuance of the Substitute Obligation set forth in the Replacement Master Indenture have been complied with and satisfied,

including, but not limited to, the perfection of any security interest created thereunder; and (3) registration of the Substitute Obligation under the Securities Act of 1933, as amended, is not required, or such registration has occurred;

(3) A Favorable Opinion of Bond Counsel with respect to the Series 2024B-2 Bonds;

(4) An original or fully executed copy of the Replacement Master Indenture; and

(5) Such reasonable indemnities as the Bond Trustee may request.

Upon satisfaction of such conditions, all references herein and in the Loan Agreement to the Master Note shall be deemed to be references to the Substitute Obligation, all references to the Master Indenture shall be deemed to be references to the Replacement Master Indenture, all references to the Master Trustee shall be deemed to be references to the master trustee under the Replacement Master Indenture, all references to the Obligated Group, the Members of the Obligated Group and the Combined Group Agent shall be deemed to be references to the New Group and the credit group agent for the New Group and all references to the Fourth Supplement shall be deemed to be references to the supplemental master indenture pursuant to which the Replacement Obligation is issued. The Bond Trustee has no duty or obligation to review any such Replacement Master Indenture and is fully protected in delivering the Master Note for cancellation and replacement upon receipt of the items set forth herein.

Section 6.09. Accounting Records and Financial Statements.

(a) The Bond Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by or on behalf of the Bond Trustee relating to the proceeds of Bonds, the Master Note and all funds and accounts established pursuant to this Bond Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or the agent or representative of any of them duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Bond Trustee shall furnish to the Borrower within thirty (30) days after the end of each month, and to the Authority upon request of the Authority, a cash transaction statement (which need not be audited) covering receipts, disbursements, allocation and application of payments by the Borrower and any other moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Bond Indenture for such month. The Bond Trustee shall also furnish to each Bondholder a copy of its monthly cash transaction statement upon written request and at the Bondholder's expense.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 7.01. Events of Default.

The following events shall be Events of Default:

(a) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise, or default in the redemption of any Bonds from Sinking Fund Installments in the amount and at the times provided therefor;

(b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) subject to the provisions of Section 4.18(b) hereof, failure to pay the Purchase Price of any Bond tendered pursuant to Article IV hereof when such payment is due;

(d) a Loan Default Event;

(e) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Indenture or any agreement supplemental hereto to be performed on the part of the Authority, and such default shall continue for the period of 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Borrower by the Bond Trustee which notice the Bond Trustee may give in its discretion and must give at the written request of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding hereunder exclusive of Bonds then owned by the Authority or the Borrower; provided that, if such default cannot with due diligence and dispatch be cured within 60 days but can be cured, the failure of the Authority to remedy such default within such 60 day period shall not constitute a default hereunder if the Bond Trustee is provided with a certification from the Authority or the Borrower, as the case may be, to the effect that such default cannot with due diligence and dispatch be cured within 60 days but can be cured and the Authority or the Borrower, as the case may be, shall as soon as practicable upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch within 180 days of the delivery of such default notice;

(f) (i) receipt by the Bond Trustee of written notice from the Credit Facility Provider stating that an event of default has occurred under the Credit Facility Agreement and directing the Bond Trustee to declare the principal of the outstanding Bonds supported by such Credit Facility immediately due and payable; or (ii) receipt by the Bond Trustee of written notice from the Liquidity Facility Provider stating that an event of default has occurred under the Liquidity Facility Agreement;

(g) receipt by the Bond Trustee of a written notice from the Credit Facility Provider that amounts available to pay interest under the Credit Facility will not be reinstated following a drawing thereunder to pay interest and directing the Bond Trustee to declare the principal of the outstanding Bonds supported by such Credit Facility immediately due and payable;

(h) during a Direct Purchase Period, receipt by the Bond Trustee of written notice from the Direct Purchaser that an event of default has occurred under the Bondholder Agreement, which notice may in addition instruct the Bond Trustee to accelerate the Bonds pursuant to Section 7.02 or instruct the Bond Trustee to subject the Bonds to mandatory tender pursuant to Section 4.08(b) hereof; or

(i) a declaration by the Master Trustee of the entire principal amount of all Outstanding Obligations (as defined in the Master Indenture) and the interest accrued thereon to be immediately due and payable.

Upon a Responsible Officer of the Bond Trustee having actual knowledge of the existence of any Event of Default, the Bond Trustee shall notify the Borrower, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Remarketing Agent, if any, the Direct Purchaser, if any, and the Master Trustee in writing as soon as practicable; provided, however, that the Bond Trustee need not provide notice of any Event of Default pursuant to paragraph (d) if the Borrower has expressly acknowledged the existence of such default in a writing delivered to the Bond Trustee, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Master Trustee.

Section 7.02. Acceleration; Annulment of Acceleration.

(a) If an Event of Default described in Section 7.01(a), (b), (c), (d), (f), (g) or (h) shall occur, then the Bond Trustee, at the direction of or with the written consent of the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, at the direction of or with the written consent of the Direct Purchaser, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser, the Bond Trustee may and, upon the written request of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(b) If an Event of Default described in Section 7.01(i) shall occur, the Bond Trustee shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(c) If an Event of Default described in Section 7.01(e) shall occur, the Bond Trustee may, with the written consent of, and shall at the written direction of, the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a

properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, shall at the direction of, or may with the written consent of, the Direct Purchaser, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser may, with the written consent of, and shall at the written request of, Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, take whatever action at law or in equity is necessary or desirable to enforce the performance, observance or compliance by the Authority with any covenant, agreement or condition by the Authority under this Bond Indenture. In addition, if an Event of Default described in Section 7.01(c) shall occur, the Bond Trustee shall, at the direction of, or may, with the written consent of, the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, shall, at the direction of, or may, with the written consent of, the Direct Purchaser, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor properly presented and conforming draw under the Credit Facility) or Direct Purchaser, the Bond Trustee may, upon the written consent of, or shall, at the direction of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(d) Upon the declaration by the Bond Trustee of the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, the principal of all the Bonds then Outstanding, and the interest accrued thereon, shall become and shall be immediately due and payable, anything in this Bond Indenture to the contrary notwithstanding. The Bond Trustee shall give or cause to be given notice of acceleration of the Bonds by first class mail to the Bondholders and of such date for payment upon acceleration at least eight days before such date for payment. Notice of such declaration having been given as aforesaid, anything to the contrary contained in this Bond Indenture or in the Bonds, notwithstanding, interest shall cease to accrue on such Bonds from and after the date set forth in such notice (which date shall be no more than eight days from the date of such declaration. The Bond Trustee shall not be required to make payment to any Bondholder until the Bonds shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority (but only out of Revenues received from or on behalf of the Borrower) or the Borrower shall deposit with the Bond Trustee a sum sufficient to pay all the principal, Redemption Price and Purchase Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Bond Trustee, and if the Bond Trustee has received notification from the Master Trustee that any declaration of acceleration of the Master Note has been annulled pursuant to the Master Indenture and any and all other defaults known to the Bond Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bond Trustee or provision deemed by the Bond Trustee to be adequate shall have been made therefor, then the Bond Trustee shall, with the written consent of the Credit Facility Provider, if a Credit Facility is then in effect and

the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility, and upon receipt by the Bond Trustee of written confirmation that the Credit Facility has been reinstated, by written notice to the Authority, the Borrower and the Bond Trustee, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(e) Immediately after any acceleration hereunder, the Bond Trustee, to the extent it has not already done so, shall notify in writing the Authority and the Borrower of the occurrence of such acceleration.

(f) In the event that the Master Trustee has accelerated the Master Note and is pursuing its available remedies under the Master Indenture, the Bond Trustee, without waiving any Event of Default under this Bond Indenture, agrees not to pursue its available remedies under this Bond Indenture or the Loan Agreement in a manner that would hinder or frustrate the pursuit by the Master Trustee of its remedies under the Master Indenture provided that the Bond Trustee may take any action permitted of an Obligation holder under the Master Indenture.

(g) Notwithstanding anything contained herein to the contrary, however, while a Credit Facility is in effect or with respect to Direct Purchase Bonds, the Bonds shall not be declared immediately due and payable, nor shall they be subject to acceleration, nor shall any Event of Default be waived without the prior written consent or direction to such action by the Credit Facility Provider or the Direct Purchaser, as applicable.

Section 7.03. Rights of the Bond Trustee and the Authority Concerning the Master Note. The Bond Trustee, as pledgee and assignee of certain of the right, title and interest of the Authority in and to the Loan Agreement and all of its right, title and interest as assignee of the Master Note shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article, be the real party in interest with standing to enforce each and every right granted to the Authority under the Loan Agreement (other than the Authority's right to receive any Administrative Fees and Expenses to the extent payable to the Authority, or with respect to its Unassigned Rights) and under the Master Note which have been assigned to the Bond Trustee by this Bond Indenture. The Authority and the Bond Trustee hereby agree, without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of rights of the Authority in and to the Master Note and certain rights of the Authority under the Loan Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Authority or its default hereunder or on the Bonds. In exercising such rights and the rights given the Bond Trustee under this Article, the Bond Trustee shall take such action as, in the good faith judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the

provisions of the Master Indenture, together with the security and remedies afforded to Holders of Master Note thereunder.

Section 7.04. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Bond Trustee shall, upon the written request of the Credit Facility Provider, if any, or, during a Direct Purchase Period, the Direct Purchaser (subject to Sections 7.13 and 7.14 hereof), and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser, upon the written request of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, together with indemnification of the Bond Trustee to its satisfaction therefor, proceed forthwith to protect and enforce its rights and the rights of the Bondholders hereunder and under the Act and the Bonds by such suits, actions or proceedings as the Bond Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (i) civil action to recover money or damages due and owing;
- (ii) civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Bonds;
- (iii) enforcement of any other right of the Authority and the Bondholders conferred by law or hereby; and
- (iv) enforcement of any other right conferred by the Loan Agreement, the Master Note or the Master Indenture.

(b) Regardless of the happening of an Event of Default, the Bond Trustee, if requested in writing by the Credit Facility Provider or the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders; provided that such request is in accordance with law and the provisions hereof.

Section 7.05. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of Administrative Fees and Expenses, and the cost and expenses of the proceedings resulting in the collection of such moneys and of the outstanding fees, expenses, liabilities and advances incurred or made by the Bond Trustee (subject to Section 11.10 hereof and other than moneys required to be deposited in the Bond Purchase Fund) shall be applied by the Bond Trustee as follows and in the following order:

- (a) To the payment of any expenses necessary in the opinion of the Bond Trustee to protect the interests of the Holders of the Bonds and payment of reasonable fees,

expenses and indemnities of the Bond Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Bond Indenture and the creation of a reasonable reserve for anticipated fees, costs and expenses; and

(b) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) and any Reimbursement Obligations related thereto subject to the provisions of this Bond Indenture, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

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 any Reimbursement Obligations related to drawings on the Credit Facility for payment of interest), and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal (including Sinking Fund Installments) or Purchase Price or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption or purchase, in the order of their due dates (and any Reimbursement Obligations related to drawings on the Credit Facility for payment of principal (including Sinking Fund Installments) or Purchase Price or Redemption Price of any Bonds) with interest on the overdue principal at the rate borne by the respective Bonds or such Reimbursement Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, 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: During a Direct Purchase Period, to the payment to the Direct Purchaser (if any) of any amounts payable under the Bondholder Agreement or during any period in which a Credit Facility or Liquidity Facility is in effect, to the Credit Facility Provider or Liquidity Facility Provider of any amounts payable under the Credit Facility or Liquidity Facility, as applicable.

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable,

FIRST: To the payment of the principal and interest then due and unpaid upon the Bonds (and Reimbursement Obligations), with interest on the overdue principal at the rate borne by the respective Bonds or such Reimbursement Obligations and, if the amount available shall not be sufficient to pay in full the

whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

SECOND: During a Direct Purchase Period, to the payment to the Direct Purchaser (if any) of any amounts payable under the Bondholder Agreement, or during any period in which a Credit Facility or Liquidity Facility is in effect, to the Credit Facility Provider or Liquidity Facility Provider of any amounts payable under the Credit Facility or Liquidity Facility, as applicable.

(iii) Notwithstanding anything herein to the contrary, in no event shall the Bond Trustee be entitled to payment of its fees or expenses from any amounts held hereunder which constitute remarketing proceeds, proceeds of a drawing upon a Credit Facility or a Liquidity Facility or any moneys held under the Bond Purchase Fund.

Section 7.06. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Bond Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute (including the Act) on or after the date hereof.

Section 7.07. Remedies Vested in Bond Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Bond Trustee, without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 7.05 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds. Nothing herein shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Bond Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owner so affected.

Section 7.08. Bondholders' Control of Proceedings. If an Event of Default shall have occurred and be continuing, the Holders of a majority in principal amount of all Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Bond Trustee as provided herein). Nothing in this Section shall impair the right of the Bond Trustee in

its discretion to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 7.09. Individual Bondholder Action Restricted.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder except upon the occurrence of all of the following events:

(i) the Credit Facility Provider or the Holders of at least a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Bond Trustee to proceed to exercise the powers granted herein; and

(ii) the Credit Facility Provider or such Bondholders shall have offered the Bond Trustee indemnity as provided in Section 8.06 hereof; and

(iii) the Bond Trustee shall have failed or refused to exercise the duties or powers herein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) during such 60 day period no direction inconsistent with such written request has been delivered to the Bond Trustee by the Credit Facility Provider or the Holders of a majority in principal amount of Bonds then Outstanding.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the money, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds.

Section 7.10. Termination of Proceedings. In case any proceedings taken on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, the Liquidity Facility Provider, the Credit Facility Provider, or the Bondholders, then the Authority, the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bondholders shall be restored to their former positions and rights hereunder, and all rights and powers of the Bond

Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bondholders shall continue as if no such proceeding had been taken.

Section 7.11. Waiver of Event of Default.

(a) No delay or omission of the Bond Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or in acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Bond Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, on or before the completion of the enforcement of any other remedy hereunder.

(c) The Bond Trustee, upon the written request of the Credit Facility Provider or the Holders of a majority in principal amount of the Bonds then Outstanding, shall waive any Event of Default hereunder and its consequences; provided, however, that a default in the payment of the principal or Redemption Price of or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding, for which payment of the principal or Redemption Price of or interest on has not been made.

(d) In case of any waiver by the Bond Trustee of an Event of Default hereunder, the Authority, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Bond Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

(e) Notwithstanding anything herein to the contrary, while a Credit Facility is in effect, the Bond Trustee shall not waive any Event of Default unless the Credit Facility Provider shall have rescinded in writing any default notice given by it and the Credit Facility shall have been reinstated in full. Notwithstanding anything herein to the contrary, with respect to Direct Purchase Bonds, the Bond Trustee shall not waive any Event of Default unless the Direct Purchaser, if any, shall have consented to such waiver in writing.

Section 7.12. Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Bond Trustee, the Liquidity Facility Providers, the Credit Facility Providers, the Direct Purchaser, if any, and Bondholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Bond Trustee, the Liquidity Facility Providers, the Credit Facility Providers, and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Bond Indenture and by law.

Section 7.13. Consent of the Credit Facility Provider: Action at Direction of the Credit Facility Provider. If a Credit Facility is in effect, unless the rights of the Credit Facility Provider

are not in effect as provided in Section 11.16 hereof, the written consent of the Credit Facility Provider shall be required (a) for the initiation by Bondholders of any action to be undertaken by the Bond Trustee at the Bondholders' request, which under this Bond Indenture or the Loan Agreement or the Master Indenture requires the written approval or consent of or can be initiated by the holders of Bonds, (b) for the purposes of consents and directing action under the Loan Agreement or the Master Indenture, and (c) for the purpose of acceleration of the principal of the Bonds or the Master Note, the annulment of any declaration of acceleration, and waivers of Events of Default. If a Credit Facility is in effect, unless the rights of the Credit Facility Provider are not in effect as provided in Section 11.16, the Bond Trustee shall, upon the written direction of the Credit Facility Provider and upon being indemnified as provided in Section 8.06, take any action available to the Bond Trustee hereunder or under the Loan Agreement or the Master Indenture.

Unless otherwise provided in this Section 7.13, the granting of the Credit Facility Provider's consent shall be in lieu of Bondholder consent, whenever this Bond Indenture otherwise requires Bondholder consent, including without limitation, (i) the execution and delivery of any Supplemental Bond Indenture or any amendment, supplement or change to or modification of the Loan Agreement, the Master Note or the Master Indenture; (ii) the removal of the Bond Trustee and the selection and appointment of any successor Bond Trustee; and (iii) the initiation or approval of any action not described in (i) or (ii) above which requires the consent of the Holders.

Section 7.14. Rights of Holder When Bonds in Direct Purchase Period. Notwithstanding anything contained in this Article VII or this Bond Indenture to the contrary and subject to the provisions of the Master Indenture, during any period when the Bonds are in the Direct Purchase Mode, the Direct Purchaser shall have the right to enforce the rights and remedies provided to the Bond Trustee hereunder, to consent to amendments to this Bond Indenture and the Loan Agreement and to control all proceedings relating to the exercise of such rights and remedies in its own name and not subject to the restrictions contained herein.

ARTICLE VIII THE BOND TRUSTEE

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

(a) At the request of the Borrower, the Authority hereby appoints The Bank of New York Mellon Trust Company, N.A., as Bond Trustee. The Bond Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied duties (including fiduciary duties), covenants or obligations shall be read into this Bond Indenture against the Bond Trustee. The Bond Trustee shall, during the existence of any Event of Default (which has not been cured or waived in accordance herewith), exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Bond Trustee shall not be required to provide, on its own behalf, any surety bond or other kind of security in connection with the execution of any of its trusts or powers under this Bond Indenture or any other related document or the performance of its duties hereunder.

(b) The Authority shall remove the Bond Trustee (i) upon written request of the Borrower at any time unless an Event of Default shall have occurred and then be continuing, (ii) upon the occurrence and continuation of an Event of Default, if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (iii) if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving 30 days' prior written notice of such removal to the Bond Trustee, and thereupon shall appoint, with the written consent of the Borrower, a successor Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign by giving written notice of such resignation to the Authority and the Authorized Representative of the Borrower and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Bond Trustee. Upon receiving such notice of resignation, the Authority, at and in accordance with the written direction of the Authorized Representative of the Borrower, shall promptly appoint a successor Trustee by an instrument in writing.

(d) The Bond Trustee shall not be relieved of its duties until a successor Trustee has accepted appointment and assumed the duties of the Bond Trustee hereunder. Any removal or resignation of the Bond Trustee and appointment of a successor Trustee shall only become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 30 days of giving notice of removal or notice of resignation as aforesaid, the retiring Trustee at the expense of the Borrower, the Borrower or any Holder (on behalf of such Holder and all other Holders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Bond Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, the Authorized Representative of the Borrower and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the Authority, the Authorized Representative of the Borrower or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Bond Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such

successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall cause such successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Holders at the addresses shown on the registration books maintained by the Bond Trustee.

(e) Any successor Trustee shall be a trust company, national bank or other bank having the powers of a trust company having (or, in the case of a trust company or bank included in a bank holding company system, with a bank holding company having) a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such trust company, national bank or other bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond Trustee may sell or transfer all or substantially all of its municipal corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Bond Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the legality, validity or sufficiency of this Bond Indenture, the Loan Agreement, the Master Note or any other document related hereto, or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Bond Trustee or its powers. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, or willful misconduct; provided, that this shall not be construed to limit the effect of subsection (f) or (o) hereof. The Bond Trustee may become the owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

(b) The Bond Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Bond Trustee was negligent.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Credit Facility Provider or Holders of not less than a majority in aggregate principal amount (or such lesser principal amount as is provided hereby) of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture.

(d) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Indenture, including at the request, order or direction of any of the Bondholders pursuant to the provisions of this Bond Indenture unless such Bondholders shall have offered to the Bond Trustee security or indemnity satisfactory to the Bond Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Bond Indenture unless it shall be proved that the Bond Trustee was negligent.

(f) No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) Whether or not therein expressly so provided, every provision of this Bond Indenture, the Loan Agreement, the Master Note or other documents relating to the issuance of the Bonds, relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Article.

(h) The Bond Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, requisition, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Bond Trustee, in its discretion and at its expense, may make such further investigation or inquiry into such facts or matters as it may deem fit.

(i) The Bond Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The Bond Trustee shall not be deemed to have knowledge of an Event of Default hereunder, under the Loan Agreement, the Master Note or any other document related to the Bonds unless a Responsible Officer of the Bond Trustee shall have actual knowledge of such an Event of Default. As used herein, "actual knowledge" shall mean the actual fact or statement of knowing without any independent duty to make any investigation with regard thereto.

(k) The Bond Trustee shall not be accountable for the use or application by the Authority or the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any paying agent. The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and the Bond Trustee shall not be answerable for other than its negligence or willful misconduct.

(l) The Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Bond Indenture and delivered using Electronic Means; provided, however, that the Authority and/or the Borrower shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and/or the Borrower whenever a person is to be added or deleted from the listing. If the Authority and/or the Borrower elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee’s understanding of such Instructions shall be deemed controlling. The Authority and the Borrower understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Authority and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and that the Authority, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and/or the Borrower. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and the Borrower; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(m) In acting or omitting to act pursuant to the Loan Agreement, the Tax Certificate or any other documents executed in connection herewith or therewith, the Bond Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Bond Indenture, the Loan Agreement and the Tax Certificate including, but not limited to, this Article VIII.

(n) To the extent that the Bond Trustee is the holder of an Obligation under the Master Indenture, in its capacity as Bond Trustee hereunder, the Bond Trustee shall not be required to take any action or exercise any discretion under the Master Indenture as an Obligation holder, including, without limitation, exercising voting or consent rights, without receiving the written direction of the owners of all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture.

(o) The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Bond Indenture, including without limitation, recording or filing any financing statements, continuation statements or any other documents or taking any other actions to perfect or continue the perfection of any security interest in any collateral given to or held by the Bond Trustee.

(p) To the fullest extent permitted by law and notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall not be personally liable for (x) special, consequential or punitive damages, however styled, including, without limitation, lost profits or (y) the acts or omissions of any nominee, correspondent, clearing agency or securities depository through which it holds the Bonds or accounts.

(q) Notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall not be responsible or liable for its failure to perform under this Bond Indenture or for any losses resulting from any event beyond the reasonable control of the Bond Trustee, its agents or subcustodians, including but not limited to nationalization, strikes, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Bonds; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or acts of war, terrorism, insurrection or revolution; or acts of God; or any other similar event.

(r) The Bond Trustee shall not be deemed to have knowledge or notice of any fact or event unless a Responsible Officer of the Bond Trustee has actual knowledge thereof or unless written notice of such fact or event is received by a Responsible Officer and such notice references the fact or event.

(s) The Bond Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Bond Indenture and the Loan Agreement, whether or not an original or a copy of such agreement has been provided to the Bond Trustee.

(t) The Bond Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Bond Indenture and the Loan Agreement.

(u) Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Borrower, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(v) The Bond Trustee shall be fully protected in acting upon any order, judgement or decree of a court of competent jurisdiction.

(w) The Bond Trustee shall be entitled to request and receive written instructions from owners of all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture, and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Bond Trustee in accordance with the written direction of owners of not less than all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture.

(x) Notwithstanding anything to the contrary herein, the Bond Trustee shall have no duty to prepare or file any Federal or state tax report or return with respect to any funds held pursuant to this Bond Indenture or any income earned thereon, except for the delivery and filing of tax information reporting forms required to be delivered and filed with the Internal Revenue Service. Upon the Bond Trustee's request the Bond Trustee shall be provided with certified tax identification numbers and appropriate forms W-9 or W-8 and such other forms and documents that the Bond Trustee may request.

Section 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee shall be fully protected in acting upon any notice, resolution, request, consent, order, judgement, certificate, statement, requisition, electronic mail, 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. Before the Bond Trustee acts or refrains from acting, it may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, or with accountants or other skilled persons, and the opinion of such counsel, accountants or other skilled persons shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Bond Trustee may act with such full and complete authorization and protection so long as whenever the Bond Trustee is to receive an Opinion of Counsel upon which it will rely in taking or omitting to take action, the Bond Trustee shall specifically request that the Authority be named as an addressee of such Opinion of Counsel. If the Bond Trustee is informed that counsel will not name the Authority as an addressee of such opinion, the Bond Trustee will promptly send notice to the Authority and the Bond Trustee will refrain from acting upon any such Opinion of Counsel for a period of three (3) business days unless

in the opinion of the Bond Trustee such delay would adversely affect the interests of the Bond owners.

With the exception of Persons in whose names Bonds are registered on the books maintained by the Bond Trustee for such purpose, the Bond Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed, and such Holder is registered on the books maintained by the Bond Trustee.

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

Section 8.05. Preservation and Inspection of Documents. All documents received by the Bond Trustee under the provisions of this Bond Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Borrower and any Holder, and their agents and representatives duly authorized in writing (if such Holder provides to the Bond Trustee 30 days prior written notice and such notice specifies a date upon which such inspection shall occur), during normal business hours and under reasonable conditions.

Section 8.06. Performance of Duties. The Bond Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall be absolutely protected in relying thereon. The Bond Trustee shall not be responsible for the negligence or willful misconduct of such persons selected by it with due care.

The Bond Trustee shall be paid its fees and expenses (including, without limitation, legal fees and expenses) hereunder by the Borrower in accordance with a separate fee schedule, and pursuant to the terms of the Loan Agreement. The Bond Trustee shall also be indemnified by the Borrower pursuant to the terms of the Loan Agreement. When the Bond Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

ARTICLE IX
MODIFICATIONS OR AMENDMENTS

Section 9.01. Amendments to Bond Indenture.

(a) This Bond Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Bond Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Bond Trustee may enter into with the written consent of (i) the Credit Facility Provider (provided that the Credit Facility is then in effect with respect to all Bonds then Outstanding and the Credit Facility Provider has not lost its rights pursuant to the provisions of Section 11.16 hereof) and the Borrower or (ii) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding (if no Credit Facility is in effect or the Credit Facility Provider has lost its rights pursuant to the provisions of Section 11.16 hereof) and the Borrower shall have been filed with the Bond Trustee. No such modification or amendment shall (1) extend the Maturity Date of any Bond, or reduce the amount of principal thereof, or extend the time of payment or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien prior to or on a parity with the lien created by this Bond Indenture, or deprive the Holders of the Bonds of the lien created by this Bond Indenture (except as expressly provided in this Bond Indenture), without the consent of the Holders of all Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Bond Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Bond Trustee of any Supplemental Bond Indenture pursuant to this subsection (a), the Bond Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Bond Indenture to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Bond Indenture.

(b) This Bond Indenture and the rights and obligations of the Authority, of the Bond Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Bond Trustee may enter into with the consent of the Borrower, but without the necessity of obtaining the consent of any Bondholders or Credit Facility Provider, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority contained in this Bond Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority; provided, that no such covenant, agreement, pledge, assignment or surrender shall

materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d);

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Bond Indenture, or in regard to matters or questions arising under this Bond Indenture, including but not limited to reflecting the creation of separate sub-Series for the Bonds, reflecting the serialization of the Bonds upon their Conversion to a Fixed Mode or reflecting the conversion of serial Bonds to term Bonds or other adjustments to the amortization and payment schedule in connection with their Conversion from a Fixed Mode, as the Authority or the Bond Trustee may deem necessary or desirable and not inconsistent with this Bond Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds;

(iii) to modify, amend or supplement this Bond Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d);

(iv) to evidence or give effect to, or to conform to the terms and provisions of, any Liquidity Facility or any Credit Facility, including a Self-Liquidity Arrangement;

(v) to facilitate and implement any book-entry system (or any termination of a book-entry system) with respect to the Bonds in accordance with the terms hereof;

(vi) to maintain the exclusion from gross income of interest payable with respect to the Bonds;

(vii) to make any modification or amendment to this Bond Indenture which will be effective upon the Conversion and/or remarketing of Bonds following the mandatory tender of the Bonds pursuant to Section 4.07;

(viii) to provide for the appointment of a successor bond trustee or co-trustee pursuant to the terms of Section 8.01(b) or (c) hereof; or

(ix) to make any modification or amendment to this Bond Indenture which shall not materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d).

(c) The Bond Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Bond Indenture authorized by subsections (a) or (b) of this

Section which materially adversely affects the Bond Trustee's own rights, duties or immunities under this Bond Indenture or otherwise.

(d) In executing, or accepting the additional trusts created by, any Supplemental Bond Indenture permitted by this Article or the modification thereby of the trusts created by this Bond Indenture, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Bond Indenture is authorized or permitted by this Bond Indenture and complies with the terms hereof.

Section 9.02. Effect of Supplemental Bond Indenture. Upon the execution of any Supplemental Bond Indenture pursuant to this Article, this Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture of the Authority, the Bond Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Bond Indenture shall be deemed to be part of the terms and conditions of this Bond Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Bond Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Bond Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of such Holder's Bond for the purpose at the Corporate Trust Office of the Bond Trustee or at such additional offices as the Bond Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Bond Indenture shall so provide, new Bonds so modified as to conform to any modification or amendment contained in such Supplemental Bond Indenture, shall be prepared by the Bond Trustee at the expense of the Borrower, executed by the Authority and authenticated by the Bond Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office of the Bond Trustee, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

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

ARTICLE X SATISFACTION OF THIS BOND INDENTURE

Section 10.01. Discharge of Bond Indenture. Bonds may be paid in any of the following ways, provided that the Borrower also pays or causes to be paid any other sums payable hereunder and related to such Bonds:

(a) by paying or causing to be paid the principal or Redemption Price of and interest on Outstanding Bonds, as and when the same become due and payable;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, money or Defeasance Obligations in the amount necessary (as provided in Section 10.03) to pay or redeem all Bonds Outstanding; or

(c) by delivering to the Bond Trustee, for cancellation by it, Outstanding Bonds.

If the Authority, the Borrower or the Bond Trustee shall also pay or cause to be paid all other sums payable hereunder by the Authority, and if the Borrower shall have paid all expenses payable to the Authority and the Bond Trustee, and any indemnification owed to the Authority, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Bond Trustee, signifying the intention of the Borrower to discharge all such indebtedness and this Bond Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Bond Indenture and the pledge of Revenues and other assets made under this Bond Indenture and all covenants, agreements and other obligations of the Authority under this Bond Indenture shall cease, terminate, become void and be completely discharged and satisfied (except with respect to the transfer or exchange of Bonds provided for herein or therein, the payment of principal of and interest on the Bonds when due, the redemption of Bonds provided for in Article IV hereof and the payment of or the provision for any rebate payments then due and payable to the United States Treasury as specified in the Tax Certificate. In such event, upon Written Request of the Borrower, the Bond Trustee shall execute and deliver to the Authority and the Borrower all such instruments as may be necessary or desirable (and prepared by or on behalf of the Authority or the Borrower) to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to this Bond Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption. The release of the obligations of the Authority hereunder shall be without prejudice to the right of the Bond Trustee to be paid reasonable compensation for all services rendered hereunder by it and all reasonable expenses, charges and other disbursements (from any money in its possession under the provisions of this Bond Indenture, subject only to the prior lien of the Bonds for the payment of the principal thereof and the interest thereon) incurred on or about the administration of the trust hereby created and the performance of its duties hereunder, nor its right to indemnification hereunder and under the Loan Agreement.

Section 10.02. Effect of Defeasance. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the amount necessary (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond) and, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, this Bond Indenture may be released and discharged in accordance with the provisions hereof and of Section 10.01, but the liability of the Authority in respect of such Bonds shall continue but only to the extent that the Holder thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Bond Trustee as

aforesaid for their payment; and, provided, further, that the provisions of Section 10.04 shall apply in any event.

With respect to any Weekly Bonds, Two Day Bonds or Daily Bonds enhanced with a Liquidity Facility or Credit Facility that, in either case, is a direct-pay letter of credit, any such initial deposit or initial investment must be made with Eligible Moneys. Prior to defeasing any Weekly Bonds, Two Day Bonds or Daily Bonds enhanced by a Liquidity Facility or a Credit Facility pursuant to this Section 10.02, the Borrower shall either (i) obtain written confirmation from each Rating Agency then rating the Bonds that the ratings on the Bonds will not be lowered or withdrawn as a result of the defeasance of the Bonds or (ii) cause the Liquidity Facility or Credit Facility then in effect to remain in effect until the earlier of the final redemption date or the maturity date of the defeased Bonds.

Notwithstanding anything in this Bond Indenture to the contrary, Bonds secured by a Liquidity Facility or a Credit Facility shall not be defeased unless each of the following conditions is satisfied: (1) the defeasance escrow for such Bonds shall be held uninvested in cash only and shall not be invested in Defeasance Obligations or any other form of investment; and (2) there shall be delivered to the Bond Trustee and the Authority a verification report of an accountant as to the adequacy of the defeasance escrow so established. The rights of the Holders of Bonds bearing interest at a Daily Rate, a Two Day Rate, a Window Rate, a VRO Rate or a Weekly Rate to optionally tender such Bonds pursuant to Section 4.06(a) hereof shall continue to be in full force and effect during the defeasance escrow period and shall remain in effect until the redemption date of such Bonds.

Section 10.03. Deposit of Money or Securities with Bond Trustee. Whenever in this Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the amount necessary to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Bond Trustee in the funds and accounts established pursuant to this Bond Indenture and shall be:

(a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity (based on an assumed interest rate equal to the Maximum Interest Rate for periods for which the actual interest rate on the Bonds cannot be determined), except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon (based upon an assumed interest rate equal to the Maximum Interest Rate, for periods for which the actual interest on the Bonds cannot then be determined) to the redemption date; or

(b) Defeasance Obligations, the principal of and interest on which when due will provide money sufficient, without regard to any reinvestment thereof, to pay the principal or Purchase Price for any Bonds tendered for purchase (in which case the tendered Bonds shall be purchased and shall be cancelled), or Redemption Price of and all unpaid interest to maturity (based on an assumed interest rate equal to the Maximum Interest Rate

for periods for which the actual interest rate on the Bonds cannot be determined) or to the Purchase Date or redemption date, as the case may be, on the Bonds to be paid, purchased or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice; and, provided further, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of this Bond Indenture or by Written Request of the Borrower or the Authority) to apply such money to the payment of such principal or Purchase Price or Redemption Price and interest with respect to such Bonds.

Prior to any defeasance becoming effective under this Section 10.03, the Borrower shall deliver, or caused to be delivered, to the Bond Trustee and the Authority (a) if Defeasance Obligations comprise all or part of the defeasance deposit, a copy of a certificate of an independent certified public accountant or firm of such accountants or financial institution experienced in delivering verification reports indicating the sufficiency of the maturing principal and the interest income on such Defeasance Obligations to pay when due the principal or Redemption Price of and interest on such Bonds and (b) with respect to the Series 2024B-2 Bonds, a Favorable Opinion of Bond Counsel, addressed to the Authority, to the effect that the Series 2024B-2 Bonds have been paid within the meaning of this Section 10.03 and are no longer Outstanding under the terms of this Bond Indenture.

Section 10.04. Payment of Bonds After Discharge of Bond Indenture. Notwithstanding the discharge of the lien hereof as in this Article provided, the Bond Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Subject to any applicable escheat law, any money held by the Bond Trustee for the payment of the principal, Redemption Price or Purchase Price of or interest on any Bond remaining unclaimed for three years after the principal or Purchase Price of all Bonds has become due and payable, whether at maturity or proceedings for redemption or tender for purchase or by declaration as provided herein, shall then be paid to the Borrower and the Holders of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Borrower for payment thereof and all liability of the Bond Trustee and the Authority with respect to such moneys shall thereupon cease.

Section 10.05. Reserved.

Section 10.06. Reserved.

Section 10.07. Survival. Notwithstanding the payment in full of the Bonds, the discharge of this Bond Indenture, and the termination or expiration of the Loan Agreement and the Master Note, all provisions in this Bond Indenture concerning (a) the tax-exempt status of the Series 2024B-2 Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this Bond Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the indemnity of the Authority Indemnified

Parties from liability, and (g) the lack of pecuniary liability of the Authority and the Commonwealth, shall survive and remain in full force and effect.

ARTICLE XI MISCELLANEOUS

Section 11.01. Limitation of Authority's Liability. With respect to the Bonds, notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of the Bonds, this Bond Indenture or the Loan Agreement shall be construed so as to give rise to any liability of the Commonwealth or any political subdivision thereof, or the Authority, or give rise to a charge upon the general credit of the Commonwealth or any political subdivision thereof, or the Authority, and the Authority shall not be obligated to pay the principal (or Redemption Price or Purchase Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Bond Trustee pursuant to the Loan Agreement and the Master Note. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Master Note, the Bonds or this Bond Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement or from the Members under the Master Note. All such liability, if any, is expressly waived and released by the Holders of the Bonds by the acceptance of the Bonds. There shall be no other recourse under the Bonds, this Bond Indenture, the Loan Agreement or otherwise against the Authority or against any board member, officer, employee or agent, past, present or future, or any other property now or hereafter owned by it or any of them and, upon entry of any judgment, the judgment creditor or creditors shall request the Prothonotary (or any successor official) to mark the judgment index accordingly. THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THIS INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL OR INTEREST. THE AUTHORITY HAS NO TAXING POWER. The issuance of the Bonds under the provisions of the Act or this Bond Indenture do not, directly or indirectly, or contingently, obligate the Commonwealth or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. The Commonwealth shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or its taxing power. The Authority shall not be required to do any act whatsoever or exercise any diligence

whatsoever to mitigate the damages to the Holders of the Bonds or the Borrower, if a default shall occur hereunder or under the Loan Agreement.

Notwithstanding anything to the contrary contained herein or in the Loan Agreement or the Bonds or any document relating to the foregoing, the Authority shall have no liability, legal, moral or otherwise, and does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance, or any other payments recited herein, except from the Revenues and other moneys and assets received by the Bond Trustee pursuant to the Loan Agreement and the Master Note, to any Owner of the Bonds, the Bond Trustee, any underwriter for the Project, the Bonds, or the Borrower in connection with the Bonds, the Bond Indenture, the Loan Agreement or any other document executed or used in connection herewith or therewith, including, without limitation, any liability or loss resulting from or suffered upon (a) the occurrence of any default under the foregoing documents or the security instruments referred to therein, (b) any diminution in the value of the Revenues or any collateral given to secure the Bonds, (c) any failure to perfect a lien or security interest in or against the Revenues or any collateral given to secure the Bonds, (d) any misrepresentation of the Authority, (e) the inaccuracy of or failure to complete any information or document submitted by the Authority to the Internal Revenue Service, (f) the failure of the Authority to comply with any requirements of the Code (including, without limitation, any registration requirements relating to the Bonds, any requirements under Section 148 of the Code, including any rebate requirements imposed on the Authority, or if the weighted average maturity of the Bonds exceeds 120% of the weighted average of the reasonably expected economic life of the facilities to be financed or refinanced with the proceeds of the Bonds within the meaning of Section 147(b) of the Code), or (g) any other cause, matter, or thing whatsoever.

No recourse shall be had for any claim based on any of the Loan Agreement, this Bond Indenture, the Bonds or any document delivered with respect to any of the Loan Agreement, this Bond Indenture or the Bonds against any elected official of the Commonwealth, against any officer or against any member, officer, agent, representative, or employee, past, present or future, of the Authority, or any successor bodies of the foregoing entities, either directly or indirectly, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise. The Bond Trustee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower to the Bond Trustee pursuant to the Loan Agreement and by the Members under the Master Note, together with investment income on certain funds and accounts held by the Bond Trustee under this Bond Indenture, and hereby agrees that if the payments to be made under the Loan Agreement and under the Master Note shall ever prove insufficient to pay all principal (or Redemption Price or Purchase Price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, tender, acceleration or otherwise), then the Bond Trustee shall give notice to the Borrower in accordance with Section 6.05 of the Loan Agreement to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price or Purchase Price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Master Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Bond Trustee, the Master Trustee, the Borrower, the Authority or any such third party, as the case may be, therefore.

Whether or not therein expressly so provided, every provision of the Loan Agreement relating to the conduct or affecting the liability of the Authority shall be subject to the provisions of this Section.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND INTEREST, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THIS BOND INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

No breach by the Authority of any such pledge, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or its taxing power.

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

Section 11.03. Limitation of Rights to Parties, the Borrower, Liquidity Facility Provider, Credit Facility Provider, Direct Purchaser and Bondholders. Nothing in this Bond Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Bond Trustee, the Borrower, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Bond Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Bond Trustee, the Borrower, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of the Bonds. The Borrower, Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Direct Purchaser, if any, shall be third-party beneficiaries hereof.

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

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

Section 11.05. Destruction of Bonds. Whenever in this Bond Indenture provision is made for the cancellation by the Bond Trustee and the delivery to the Authority of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds and, if requested, deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Bond Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Indenture, and this Bond Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Bond Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Bond Indenture may be held illegal, invalid or unenforceable, except that that Authority would not have entered into this Bond Indenture without all of the limitations to its obligations described therein.

Section 11.07. Notices. Notwithstanding anything herein to the contrary, with respect to Bonds registered in a Securities Depository, whenever a mailing, notice or other communication to Bondholders is required under this Bond Indenture, the Bond Trustee may provide all such notices and communications to the Securities Depository in accordance with the generally accepted procedures of the Securities Depository, which may be via Electronic Notice.

Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same are: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the Authority:

Pennsylvania Higher Educational Facilities Authority
400 North Street, FL 6
Harrisburg, Pennsylvania 17120
Attention: Executive Director

To the Borrower:

Thomas Jefferson University
1101 Market Street
Capital Management, 20th Floor
Philadelphia, Pennsylvania 19107
Attention: SVP Finance, Chief Investment Officer and Treasurer

To the Bond Trustee or the Master Trustee:

The Bank of New York Mellon Trust Company, N.A.
1735 Market St., 9th Floor
Philadelphia, Pennsylvania 19103
Attention: Corporate Trust

(or in each case at such other or additional addresses as may have been filed in writing with the Bond Trustee). Any notice required to be sent to a Liquidity Facility Provider or Credit Facility Provider shall be sent to the address indicated therefor in the applicable Liquidity Facility or Credit Facility Agreement. Any notice required to be sent to the Direct Purchaser shall be sent to the address indicated therefor in the applicable Bondholder Agreement.

The Bond Trustee shall provide written notice to each Rating Agency which maintains a rating on the Bonds of the occurrence of any of the following events of which a Responsible Officer of the Bond Trustee has actual knowledge: (i) any change in the Bond Trustee or Remarketing Agent; (ii) any amendments to this Bond Indenture, the Loan Agreement, the Master Indenture, the Liquidity Facility, the Credit Facility or the Credit Facility Agreement; (iii) the expiration, termination, extension or substitution of any Liquidity Facility or Credit Facility; (iv) the acceleration, optional redemption, defeasance or mandatory tender of the Bonds; or (v) any Conversion of the Interest Rate Mode with respect to all or a portion of the Bonds. Any notice given pursuant to this paragraph to S&P Global Ratings shall be sent to 55 Water Street, New York, New York 10041, Attention Municipal Structured Group, E-mail address: pubfin_structured@spglobal.com. Any notice given pursuant to this paragraph to Moody's shall be sent to 7 World Trade Center at 250 Greenwich Street, 23rd Floor New York, New York 10007, Attention: Municipal Structured Finance Group, E-mail address: MSPGSsurveillance@moody.com. In addition, the Bond Trustee shall provide such Rating Agencies with any other information in the Bond Trustee's possession concerning the Bonds, this Bond Indenture or the Loan Agreement that such Rating Agencies may reasonably require in order to maintain the rating on the Bonds. The Bond Trustee shall incur no liability for failure to give any such notices required to be provided to a Rating Agency under the terms hereof and the obligation to provide any such written notices is conditioned upon the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds.

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

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to such notary public or

officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the Registration Books.

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

Section 11.09. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Indenture, Bonds which are owned or held by or for the account of the Authority, the Borrower, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Borrower or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that in determining whether the Bond Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which a Responsible Officer of the Bond Trustee actually knows to be owned or held by or for the account of the Authority or the Borrower, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower or any other obligor on the Bonds, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Borrower or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel shall be full protection to the Bond Trustee. Upon request of the Bond Trustee, the Authority and the Borrower shall specify in a certificate to the Bond Trustee those Bonds disqualified pursuant to this Section and the Bond Trustee may conclusively rely on any such certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

Section 11.11. Funds and Accounts. Any fund required by this Bond Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the

extent practicable and for the protection of the security of the Bonds and the rights of every Holder thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of any principal (or Redemption Price or Purchase Price) of or interest on the Bonds or any sum hereunder or be subject to any personal liability or accountability by reason of the issuance of the Bonds or the execution and delivery of this Bond Indenture; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Bond Indenture.

Section 11.13. Business Days. If any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

Section 11.14. Governing Law. This Bond Indenture and the Bonds shall be construed in accordance with and governed by the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth.

Section 11.15. Execution in Several Counterparts. This Bond Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Bond Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.16. Reference to Credit Facility Provider or Liquidity Facility Provider Ineffective. Anything contained in this Bond Indenture, the Loan Agreement or in the Bonds to the contrary notwithstanding, the existence of all rights given to the Liquidity Facility Provider or the Credit Facility Provider with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the payment of properly presented and conforming draws under the Liquidity Facility or the Credit Facility, as the case may be. Any such rights shall not apply at any time there are no Bonds Outstanding or the Liquidity Facility Provider or the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Liquidity Facility or the Credit Facility; the Liquidity Facility Provider or the Credit Facility Provider has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree has been entered appointing a receiver, receivers, custodian or custodians for any of its assets or revenues, or any proceeding shall be instituted with the consent or acquiescence of the Liquidity Facility Provider or the Credit Facility Provider or any plan shall be entered into by the Liquidity Facility Provider or the Credit Facility Provider for the purpose of effecting a composition between the Liquidity Facility Provider or the Credit Facility Provider, as the case may be, and its creditors or for the purpose of adjusting the claims of such creditors, the Liquidity Facility Provider or the Credit Facility Provider makes any assignment for the benefit of its creditors or the Liquidity Facility Provider or the Credit Facility Provider is generally not paying its debts as such debts become due, the Liquidity Facility Provider or the Credit Facility Provider files a petition in bankruptcy under Title 11 of the United States Code, as amended or the Liquidity Facility or the Credit Facility has been determined to be void or unenforceable by final judgment of a court of competent jurisdiction; provided that this Section 11.16 shall not in any way limit or affect the rights of the Credit Facility Provider or the

Liquidity Facility Provider as a Bondholder, as subrogee of a Bondholder or as assignee of a Bondholder, any Reimbursement Obligations or to otherwise be reimbursed and indemnified for its costs and expenses and other payments on or in connection with the Bonds, the Credit Facility or the Liquidity Facility, either by contract or operation of law.

Section 11.17. Entire Agreement. This Bond Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Authority has caused this Series 2024B-2 Trust Indenture to be signed in its name and on its behalf by its Executive Director and the Bond Trustee has caused this Series 2024B-2 Trust Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

**PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Its: Executive Director

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Bond Trustee**

By: _____
Its: Authorized Signatory

EXHIBIT A
Form of Bond

[TRANSFER RESTRICTED]

[THIS BOND IS SUBJECT TO THE TRANSFER RESTRICTIONS SET FORTH IN
SECTION 2.17 OF THE BOND INDENTURE]

UNITED STATES OF AMERICA
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
THOMAS JEFFERSON UNIVERSITY FIXED RATE REVENUE BONDS
SERIES 2024B-2

RB-[] \$ _____

<u>INTEREST RATE AND MODE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
Fixed Rate Mode ([]%)	September 1, 20[]		

PRINCIPAL SUM: [] Dollars

REGISTERED HOLDER: CEDE & CO.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND INTEREST, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE BOND INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

FOR VALUE RECEIVED, PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a public instrumentality of the Commonwealth of Pennsylvania organized and existing under the laws of the Commonwealth of Pennsylvania and duly existing under the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, for value received, promises to pay to the registered owner named above, or registered assigns, but solely from the funds available under the Bond Indenture (defined herein), amounts payable under the

Loan Agreement (defined herein) and payments on the Master Note (defined herein), which amounts and payments are pledged and assigned for the benefit and payment hereof pursuant to the Bond Indenture and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest on such principal sum from the date hereof at the rates and at the times set forth in the Bond Indenture. Payment of principal or Redemption Price of this Bond shall be made upon the presentation and surrender hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., or its successor or successors, as bond trustee (the “Bond Trustee”) by check, or at the written request of the Registered Owner of at least one million dollars (\$1,000,000) in principal amount of Bonds furnished to the Bond Trustee at least five (5) days prior to the maturity or redemption date, by wire transfer to a wire transfer address within the continental United States. Interest shall be payable by check, or at the written request of the Registered Owner of at least one million dollars (\$1,000,000) in principal amount of Bonds furnished to the Bond Trustee on or prior to the Regular Record Date, by wire transfer to a wire transfer address within the continental United States or as otherwise set forth in the Bond Indenture with respect to Bonds in the Fixed Mode. Interest is payable to the Registered Owners whose names appear on the registration books of the Authority as of the Regular Record Date for such interest payment, which shall be the close of business on the fifteenth day (whether or not a Business Day) of the calendar month preceding the Interest Payment Date. The principal, Redemption Price or Purchase Price of, and the interest on, this Bond are payable 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. Unless otherwise indicated herein, capitalized terms not otherwise defined herein shall have the meaning specified in the Bond Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated “Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2” (the “Bonds”) and issued under a Series 2024B-2 Trust Indenture dated as of December 1, 2024 (as from time to time amended or supplemented in accordance with the terms thereof, the “Bond Indenture”), between the Authority and the Bond Trustee. The proceeds of the Bonds will be loaned to Thomas Jefferson University, a Pennsylvania nonprofit corporation (together with its permitted successors and assigns, the “Borrower”), which funds will be used for the purposes described in the Bond Indenture.

Said loan by the Authority to the Borrower of the proceeds of the Bonds will be made under and secured as described in a Series 2024B-2 Loan Agreement, dated as of December 1, 2024 (as from time to time amended or supplemented in accordance with the terms thereof, the “Loan Agreement”), between the Authority and the Borrower. The terms of the Loan Agreement will require payments by the Borrower which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal, Redemption Price or Purchase Price of, and interest on, the Bonds. The Bonds will be secured by, among other things, a promissory note issued in the principal amount of \$[] (the “Master Note”) pursuant to an Amended and Restated Master Trust Indenture (Security Agreement) dated as of February 1, 2022, by and among the Members of the Obligated Group and The Bank of New York Mellon Trust Company, N.A., as master trustee thereunder, as previously amended and supplemented and as it may hereafter be supplemented or modified from time to time and as amended and supplemented by a Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement) dated as of December 1, 2024 (collectively, the “Master Indenture”).

The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Indenture, pursuant to which Bond Indenture, the Gross Revenues and the Master Note are pledged and assigned and all of the right, title and interest of the Authority in and to the Loan Agreement (excluding rights to receive any Administrative Fees and Expenses to the extent payable to the Authority and Unassigned Rights) are assigned by the Authority to the Bond Trustee as security for the Bonds.

Reference is made to the Bond Indenture, the Master Indenture and to the Loan Agreement and to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Bond Trustee and the Master Trustee and the rights of the owners of the Bonds, and to all the provisions of which the owner hereof, by the acceptance of this Bond assents.

This Bond is registered on the Registration Books of the Bond Trustee and may be transferred by the registered owner hereof but only in the manner, subject to the limitations and upon the payment of the charges provided in the Bond Indenture.

This Bond may be transferred or exchanged only upon the Registration Books maintained by the Bond Trustee as provided in the Bond Indenture. Upon surrender for transfer or exchange of any Bond at the Corporate Trust Office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity of any Authorized Denominations and of a like aggregate principal amount. The Person in whose name this Bond is registered on the Registration Books shall be deemed and regarded as the absolute Owner hereof for all purposes, except as otherwise provided in the Bond Indenture when a book-entry system is in effect for the Bonds, and payment of or on account of the principal, Redemption Price or Purchase Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner hereof or his legal representative, but such registration may be changed as provided in the Bond Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

The Bonds are subject to redemption as provided in the Bond Indenture.

The initial Interest Rate Mode applicable to this Bond is identified above. This Bond may be converted to another Interest Rate Mode, subject to the terms and conditions of the Bond Indenture. The method of determining interest in each Interest Rate Mode is described in the Bond Indenture.

Except as otherwise provided in Section 7.14 of the Bond Indenture during the Direct Purchase Mode, the owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

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

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Bond Indenture precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by resolution of the Authority duly adopted.

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

IN WITNESS WHEREOF, Pennsylvania Higher Educational Facilities Authority has caused this Bond to be executed in its name by the facsimile signature of its President and attested by the facsimile signature of its Secretary.

PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY

By: _____
(Assistant) Secretary

By: _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Bond Indenture. Attached hereto is a copy of the approving opinion of Ballard Spahr LLP, Philadelphia, Pennsylvania, Andre C. Dasent, P.C., Philadelphia, Pennsylvania and John A. Schwab, Pittsburgh, Pennsylvania, a signed original of which are on file with the undersigned which were dated the date of the original delivery of and payment for the Bonds.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Bond Trustee

By: _____
Authorized Signature

Date of Authentication:

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(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____
_____, Attorney, to transfer the said Bond on the Registration Books thereof with
full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

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

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EXHIBIT B
Terms of the Bonds

Aggregate Principal Amount: \$[_____]

Series Issue Date: [____], 2024

Interest Payments Dates: Each March 1 and September 1, commencing March 1, 2025.

Maturities, Interest Rates, Yields, Prices and CUSIP Identification Numbers:

<u>Maturity</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.</u>
	\$	%	%		

\$[____] – [____]% Term Bond, Due September 1, 20[____], Yield [____]%, Price [____] CUSIP No.*[____]

\$[____] – [____]% Term Bond, Due September 1, 20[____], Yield [____]%, Price [____] CUSIP No.† [____]

Redemption Provisions

(a) Extraordinary Optional Redemption. The Series 2024B-2 Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of the Borrower, on any Interest Payment Date, in the event a substantial portion of the Borrower's facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Series 2024B-2 Bonds to be so redeemed, plus accrued interest thereon to the redemption date, but only with Eligible Moneys at any time at which there is a Credit Facility that is a direct-pay letter of credit in effect with respect to such Bonds.

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(b) Optional Redemption. During the Initial Fixed Period, the Series 2024B-2 Bonds are not subject to optional redemption prior to _____, 20____. The Series 2024B-2 Bonds maturing on and after _____, 20____ shall be subject to redemption prior to maturity at the option of the Borrower, in whole or in part on any Business Day on and after _____, 20____, in such order of maturity and in such amounts as may be designated by the Borrower, upon payment of a Redemption Price equal to 100% of the principal amount of the Series 2024B-2 Bonds to be redeemed, plus accrued interest to the date fixed for redemption, without premium.

(c) Sinking Fund Redemption. The Series 2024B-2 Bonds maturing on September 1, 20[____] and September 1, 20[____] are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts and on the following dates at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

<u>Sinking Fund Installment/Maturity Date</u> <u>(September 1)</u>	<u>Sinking Fund Installment</u>
*	
* Maturity Date. _____	

<u>Sinking Fund Installment/Maturity Date</u> <u>(September 1)</u>	<u>Sinking Fund Installment</u>
*	
* Maturity Date. _____	

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EXHIBIT C
Requisition

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
THOMAS JEFFERSON UNIVERSITY
FIXED RATE REVENUE BONDS
SERIES 2024B-2

PROJECT FUND REQUISITION
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., BOND TRUSTEE

Person to be Paid:

Address:

Nature of expenditure:

Amount to be paid: \$ _____ (“Amount Due”)

The Borrower represents as part of this Requisition that:

There has been no Event of Default in the Bond Indenture.

Each obligation, item of cost or expense mentioned herein has been properly incurred, is a proper charge against the Project Fund and has not been the basis of a previous requisition.

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This requisition contains no item representing payments on account of any retained percentage that the Borrower is entitled to retain.

The undersigned hereby irrevocably directs the Bond Trustee to pay the Amount Due (as shown above) to the Person to be Paid (as shown above) in the amounts and from the sources listed below:

\$ _____ from the Expense Account of the Project Fund.

Date: _____

THOMAS JEFFERSON UNIVERSITY

By: _____
Authorized Representative

SERIES 2024C TRUST INDENTURE	
	between
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY	as Authority
	and
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.	as Trustee
Dated as of November 1, 2024	
	relating to
	\$[]
Pennsylvania Higher Educational Facilities Authority	
Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C	

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SERIES 2024C TRUST INDENTURE

THIS SERIES 2024C TRUST INDENTURE (as from time to time amended or supplemented in accordance with the terms hereof, this “Bond Indenture”), dated as of November 1, 2024 is between PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) and a public body corporate and politic organized and existing under the laws of the Commonwealth, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America and being qualified to accept and administer the trusts hereby created (together with any successors, the “Bond Trustee”).

WITNESSETH:

WHEREAS, the Authority is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth, created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”) for the purposes of, inter alia, acquiring, constructing, improving, maintaining, operating and financing higher educational facilities; and

WHEREAS, Thomas Jefferson University (“TJU”) is a nonprofit corporation organized under the laws of the Commonwealth; and

WHEREAS, the Authority has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a “college”, with the rights and powers, inter alia, (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, and (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act; and

WHEREAS, the Authority has deemed TJU to be a “college” within the meaning of the Act; and

WHEREAS, the Authority, at the request of and on behalf of TJU, and certain of its affiliates, has determined to issue its \$[] aggregate principal amount Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024C (the “Series 2024C Bonds” or “Bonds”) pursuant to this Bond Indenture; and

WHEREAS, at the request of TJU, the Authority has undertaken a project (the “Project”) consisting of:

(a) the payment of (or the reimbursement to TJU for) the costs of the acquisition, construction, renovation, improvement, fit-out, and equipment costs of and other capital expenditures for educational and/or health care facilities located at 1107 Grosser Road, Gilbertsville, PA 19525 (the “Capital Project”);

(b) the payment of (or the reimbursement to TJU for) the costs of the acquisition by TJU of its sole corporate membership interest in Lehigh Valley Health Network, Inc. (“LVHN”) related to the payment or defeasance of all or a portion of that certain commercial bank loan incurred on August 30, 2022 for the benefit of LVHN in the original principal amount of approximately \$40,000,000 (the “LVHN 2022 Term Loan”);

(c) the current refunding of all or a portion of the Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015H (Taxable) issued in the original aggregate principal amount of \$29,050,000 (the “TJU 2015H Bonds” and, together with the LVHN 2022 Term Loan, the “Refunded Indebtedness”);

(d) the funding of amounts for other general corporate purposes of TJU and its affiliates;

(e) [the payment of the costs associated with credit enhancement, if any]; and

(f) the payment of issuance costs and expenses incident to the financing; and

WHEREAS, the Authority has designated the Project as a “project” under the Act, and has undertaken, at the request of TJU, the financing of a portion of the costs of the Project pursuant to a Series 2024C Loan Agreement dated as of November 1, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the “Loan Agreement”), between the Authority and TJU (in such capacity, the “Borrower”); and

WHEREAS, as further security for the Bonds, TJU, as Combined Group Agent on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee a master note under the Master Indenture (as defined herein) in an aggregate principal amount equal to \$[] (the “Master Note”); and

WHEREAS, in order to provide for the issuance, authentication and delivery of the Bonds from time to time, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, Redemption Price and Purchase Price thereof and interest thereon, the Authority has authorized the execution and delivery of this Bond Indenture; and

WHEREAS, the Bonds and the Bond Trustee’s certificate of authentication to appear thereon, and assignment to appear thereon, shall be in substantially the form set forth in Exhibit A, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Bond Indenture; and

WHEREAS, the Series 2024C Bonds will initially be issued in the Fixed Mode for the Initial Fixed Period subject to the terms and conditions hereof and of the Fourth Supplement (as defined herein); and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal special limited obligations of the Authority, and to constitute this Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance

with its terms, have been done and taken, and the execution and delivery of this Bond Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS BOND INDENTURE WITNESSETH, that in order to secure the payment of the principal, Purchase Price and Redemption Price of and interest on all Bonds at any time issued and outstanding under this Bond Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Bond Trustee, for the benefit of the Owners from time to time of the Bonds, as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions.

Except as hereinafter provided, the terms used in this Bond Indenture shall have the same meanings as set forth in the Master Indenture. In addition to the words and terms defined in the Master Indenture or elsewhere in this Bond Indenture, the following words and terms as used in this Bond Indenture or the Loan Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Act” has the meaning set forth in the recitals hereto.

“Additional Funding Amount” has the meaning ascribed thereto in Section 4.10(d)(ii) hereof.

“Additional Payments” means the payments so designated and required to be made by the Borrower pursuant to Section 4.02 of the Loan Agreement.

“Administrative Fees and Expenses” means any application, commitment, financing or similar fee charged, or reimbursement for administrative or other expenses incurred, by the Authority or the Bond Trustee.

“Agency Obligations” means obligations of (a) Federal Home Loan Mortgage Corp., (b) Farm Credit System, (c) Federal Home Loan Banks, (d) Federal National Mortgage Association, (e) Student Loan Marketing Association, (f) Financing Corp., (g) Resolution Funding Corp. (as to interest only), (h) U.S. Maritime Administration, (i) U.S. Department of Housing, and (j) General Services Administration.

“Alternate Credit Facility” means a Credit Facility issued to replace an existing Credit Facility in accordance with Section 4.20 hereof; provided, however, that any amendment, extension, renewal or substitution of the Credit Facility then in effect for the purpose of extending the Expiration Date of such Credit Facility or modifying such Credit Facility pursuant to its terms shall not be deemed to be an Alternate Credit Facility for purposes of this Bond Indenture.

“Alternate Liquidity Facility” means a Liquidity Facility issued to replace an existing Liquidity Facility in accordance with Section 4.19 hereof and any amendment or assignment of a Liquidity Facility which results in a change in the Liquidity Facility Provider; provided, however, that any amendment or extension of the Liquidity Facility for the purpose of extending the Expiration Date of such Liquidity Facility or modifying such Liquidity Facility shall not constitute an Alternate Liquidity Facility for purposes of this Bond Indenture, unless such modification makes any material change to the immediate termination events or suspension events of such Liquidity Facility.

“Applicable Factor” means during any Direct Purchase Period, a percentage designated by the Market Agent (which shall be a percentage between 65.1% and 135%), or, with a Favorable Opinion of Bond Counsel, such other percentage as may be designated as the Applicable Factor for such Direct Purchase Period pursuant to Section 2.13 hereof; provided, however, that the Applicable Factor shall not be applicable to the SIFMA Index.

“Applicable Spread” means, with respect to each Direct Purchase Period, the number of basis points determined on or before the first day of such Direct Purchase Period and designated in writing by the Borrower, the Market Agent or the Direct Purchaser in accordance with Section 2.13 hereof (which may include a schedule for the Applicable Spread based upon the ratings assigned to the unenhanced, long term debt of the Obligated Group) that, when added to the product of (x) the Direct Purchase Index multiplied by (y) the Applicable Factor, would equal the minimum interest rate per annum that would enable the Direct Purchase Bonds to be sold on such date at a price equal to the principal amount thereof (without regard to accrued interest, if any, thereon).

“Authority” has the meaning attributed to it in the initial paragraph of this Bond Indenture.

“Authorized Denominations” means with respect to any (a) Long Term Period, FRN Period or Fixed Period, including the Initial Fixed Period, \$5,000 and any integral multiple thereof; (b) Direct Purchase Period, either \$5,000 and any integral multiple in excess thereof, or \$250,000 and any integral multiple of \$5,000 in excess of \$250,000, in all such denominations as may be directed by the Direct Purchaser; and (c) Short Term Period, Two Day Period, VRO Interest Rate Period, Window Period, Weekly Period, Daily Period or Flexible Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000.

“Authority Indemnified Parties” means, individually and collectively, the Authority, and each of their past, present, and future directors, members, officers, employees, counsel, advisors, contractors, consultants and agents, individually and collectively.

“Authorized Representative” means, (a) with respect to the Authority, the President, the Vice President or Secretary, or any other person at the time designated to act on behalf of the Authority by written certificate furnished to the Bond Trustee and signed on behalf of the Authority by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document, and (b) with respect to the Borrower, its chief executive officer, president, chief financial officer, chief legal officer,

secretary, assistant secretary, treasurer, SVP Finance, Chief Investment Officer and Treasurer or any other person designated as an Authorized Representative of the Borrower by a Certificate of the Borrower signed by its chief executive officer, president, or chief financial officer and filed with the Bond Trustee.

“Bank Bonds” means any Credit Facility Bonds or Liquidity Facility Bonds.

“Beneficial Owner” means any Person which (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including any Person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

“Bond Counsel” or “Co-Bond Counsel” means counsel appointed by the Office of General Counsel at the request of the Borrower of nationally recognized standing and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Indenture” means this Series 2024C Trust Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Bond Indenture or otherwise in accordance with the terms hereof.

“Bond Purchase Agreement” means that certain Bond Purchase Agreement dated [____], 2024, among the Authority, the Borrower and J.P. Morgan Securities LLC, as representative of itself and the other underwriters identified therein.

“Bond Purchase Fund” means the fund by that name established pursuant to Section 4.10(a)(i) of this Bond Indenture.

“Bond Sinking Fund” means the fund by that name established pursuant to Section 5.05 of this Bond Indenture.

“Bond Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association organized under the laws of the United States of America, and, subject to the limitations contained in Section 8.01, any successor or successors to said trustee in the trusts created hereunder.

“Bonds” or “Series 2024C Bonds” has the meaning set forth in the recitals hereto.

“Bondholder Agreement” means during a Direct Purchase Period, any continuing covenant agreement, bondholder agreement or similar agreement between the Borrower and a Direct Purchaser.

“Borrower” means Thomas Jefferson University, a nonprofit corporation organized under the law of the Commonwealth, or any corporation that is the surviving, resulting, or transferee corporation in any merger, consolidation or transfer of all or substantially all assets permitted under the Master Indenture.

“Borrower Documents” means the Master Note, the Master Indenture, the Loan Agreement, the Continuing Disclosure Agreement and the Bond Purchase Agreement.

“Borrower Elective Purchase Date” means the date designated by the Borrower for the purchase of Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds pursuant to Section 4.07(g) of this Bond Indenture.

“Borrower Purchase Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Business Day” means any day on which banks located in the city in which draws on any Credit Facility or Liquidity Facility are to be presented, the city in which the Corporate Trust Office of the Bond Trustee is located, the city where the office of the Remarketing Agent is located or, with respect to Bonds in the Direct Purchase Mode, the FRN Mode or the Window Mode, the city in which the Calculation Agent is located, are not required or authorized to be closed and on which The New York Stock Exchange or the Federal Reserve Bank is open.

“Calculation Agent” means (a) during a Direct Purchase Period, the Direct Purchaser or any affiliate thereof during such Direct Purchase Period, or any Person, financial institution or financial advisory firm appointed by the Borrower, with the consent of the Direct Purchaser to serve as Calculation Agent for the Bonds, and any successor or replacement thereof, and (b) during the FRN Mode or the Window Mode, any Person, financial institution or financial advisory firm appointed by the Borrower prior to a Conversion to any such interest rate mode to serve as Calculation Agent for the Bonds and any successor or replacement thereof.

“Capital Project” has the meaning set forth in the recitals hereto.

“Certificate,” “Statement,” “Request” and “Requisition” of the Authority or the Borrower means, respectively, a written certificate, statement, request or requisition signed in the name of the Authority or the Borrower by an Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.03 hereof, each such instrument shall include the statements provided for in Section 1.03 hereof.

“Closing Statement” has the meaning set forth in Section 3.02(b) hereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations relating to such section, including temporary and proposed regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

“Combined Group Agent” means TJU, or such other Combined Group Agent designated under the Master Indenture.

“Commonwealth” means the Commonwealth of Pennsylvania.

“Completion Certificate” means a certificate or written confirmation provided by the Borrower to the Bond Trustee that the Capital Project has been completed.

“Consumer Price Index” or “CPI-U” means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers as released monthly by the U.S. Department of Labor, Bureau of Labor Statistics. If a previously reported CPI-U index rate is revised, the CPI-U will continue to be the previously reported CPI-U for purposes of calculating interest payments. If CPI-U is rebased to a different year during a FRN Interest Rate Period or Direct Purchase Interest Rate Period, Bonds using the CPI-U will continue to use the CPI-U based on the base reference year in effect on the first day of such FRN Interest Rate Period or Direct Purchase Interest Rate Period. If the applicable methodology for computing the CPI-U in effect on the first day of the then-current FRN Interest Rate Period or Direct Purchase Interest Rate Period is discontinued or altered and if the U.S. Treasury, in response to such discontinuance or alteration, substitutes an alternative index, and associated method of application (“*Substitute Index and Methodology*”), for the CPI-U for purposes of calculation of the inflation adjustment for the Treasury Inflation-Protection Securities, Bonds using the CPI-U will use the Substitute Index and Methodology for calculating the FRN Rate or Direct Purchase Rate for such Bonds. Typically, the CPI-U for a particular month is reported by the last date of the following month. If the CPI-U for a particular month is not reported by the last day of the following month, the U.S. Treasury has indicated it will announce an index number based on the last available twelve-month change in the CPI-U. Any calculations of interest on the Bonds that rely on that month’s CPI-U will be based on the index number that the U.S. Treasury has announced. This index number will be used for all subsequent calculations that rely on that month’s index number and will not be replaced by the actual CPI-U when it is reported.

“Continuing Disclosure Agreement” means any continuing disclosure agreement or certificate executed by the Borrower with respect to the Bonds and which complies with Securities and Exchange Commission Rule 15c2-12.

“Conversion” means a conversion of all or a portion of the Bonds from one Interest Rate Mode to one or more other Interest Rate Modes in accordance with the terms and provisions of Section 2.15 of this Bond Indenture and shall also include; (a) a conversion from any Direct Purchase Period to the next Direct Purchase Period; (b) a conversion of the FRN Bonds into a new FRN Interest Rate Period; (c) a conversion from one Fixed Period to a new Fixed Period; (d) a conversion from any Short Term Interest Rate Period to a new Short Term Interest Rate Period; (e) a conversion from any Long Term Interest Rate Period to a new Long Term Interest Rate Period; and (f) a conversion from one Flexible Rate Period to a new Flexible Rate Period.

“Conversion Date” means the effective date of a Conversion of the Bonds or a portion of the Bonds.

“Corporate Trust Office” means the office of the Bond Trustee at which its corporate trust business is conducted, which at the date hereof is located at 1735 Market Street, AIM 193-0650, Philadelphia, PA 19103; provided, however, that for purposes of the surrender or presentation of Bonds for payment, transfer or exchange, the Corporate Trust Office shall be the designated corporate trust or operations office of the Bond Trustee.

“Cost” means and shall include, without limiting or restricting any proper definition of such term under the provisions of law, including the Act, all costs of acquisition, construction,

renovation and equipping and all obligations and expenses and all items of cost which are permitted to be financed under the Act.

“Credit Facility” means a letter of credit, loan, guarantee, bond insurance policy, or similar credit facility issued by a Credit Facility Provider which, by its terms, shall secure the payment of principal of and interest on the Bonds, and delivered to the Bond Trustee in accordance with Section 5.06 of the Loan Agreement or, in the event of the delivery of an Alternate Credit Facility, such Alternate Credit Facility. A Credit Facility may also serve the function of a Liquidity Facility.

“Credit Facility Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Credit Facility Agreement” means any reimbursement or similar agreement pursuant to which a Credit Facility Provider issues or provides a Credit Facility.

“Credit Facility Bonds” means Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Credit Facility, but excluding Bonds no longer considered to be Credit Facility Bonds in accordance with the terms of the applicable Credit Facility.

“Credit Facility Provider” means the commercial bank, bond insurer, or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Credit Facility then in effect.

“Credit Facility Rate” means the rate per annum, if any, specified in a Credit Facility as applicable to Credit Facility Bonds, which shall not exceed the Maximum Interest Rate, subject to the terms of the related Credit Facility.

“Daily Bonds” means Bonds that bear interest at Daily Rates.

“Daily Interest Rate Period” means each day during the Daily Period for which a particular Daily Rate is in effect.

“Daily Mode” means the Interest Rate Mode during which the Bonds are Daily Bonds.

“Daily Period” means the entire period during which Bonds constitute Daily Bonds, which Daily Period shall generally be comprised of multiple Daily Interest Rate Periods, during which Daily Rates are in effect.

“Daily Rate” means the interest rate per annum on Daily Bonds determined on a daily basis as provided in Section 2.04 of this Bond Indenture.

“Daily Simple SOFR” means with respect to any day, the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

“Date of Issuance” means November __, 2024.

“Default Rate” means, with respect to the Initial Fixed Period, not applicable; and during any other Interest Rate Period, the Default Rate, if any, as defined in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Defeasance Obligations” means, unless modified by the terms of a particular Supplemental Indenture, (a) noncallable, nonprepayable United States Government Obligations, (b) evidences of ownership of a proportionate interest in specified noncallable, nonprepayable United States Government Obligations, which United States Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, (c) Defeased Municipal Obligations, (d) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations, which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, (e) noncallable, nonprepayable Agency Obligations, and (f) noncallable, nonprepayable stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by the U.S. Treasury and the interest-only portion of Resolution Funding Corp. securities is stripped by the Federal Reserve Bank of New York or the U.S. Treasury.

“Defeased Municipal Obligations” means obligations of state or local government municipal bond issuers rated in the highest rating by S&P and Moody’s, provision for the payment of the principal of and interest on which shall have been made or provided for by irrevocable deposit with a trustee or escrow agent of (a) Defeasance Obligations, (b) evidences of ownership of a proportionate interest in Defeasance Obligations, which Defeasance Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity as custodian, (c) noncallable, non-prepayable Agency Obligations, or (d) noncallable, non-prepayable stripped securities where the principal-only and interest-only strips of noncallable obligations are issued by the U.S. Treasury and the interest-only portion of Resolution Funding Corp. securities is stripped by the Federal Reserve Bank of New York or the U.S. Treasury, the maturing principal of and interest on which when due and payable, without any reinvestment thereof, will provide sufficient money to pay the principal of and interest and any premium on such obligations of state or local government municipal bond issuers, and for which Defeased Municipal Obligations a specific call date has been established or for which the issuer has waived the ability to call such Defeased Municipal Obligations prior to a date certain.

“Differential Interest Amount” means, upon remarketing of a Liquidity Facility Bond or a Credit Facility Bond by the Remarketing Agent pursuant to Section 4.13(b), the excess of (a) interest which has accrued at the Liquidity Facility Rate or the Credit Facility Rate, as applicable, up to but excluding the remarketing date of the Bond, over (b) the interest accrued on such Bond which is received by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, from the Remarketing Agent as part of the Purchase Price.

“Direct Purchase Bonds” means Bonds that bear interest at a Direct Purchase Rate, and any Unremarketed Bonds, if any.

“Direct Purchase Index” means during any Direct Purchase Period, Daily Simple SOFR, Term SOFR, the SIFMA Index, the Consumer Price Index or, with a Favorable Opinion of Bond

Counsel, such other index as may be designated by the Market Agent as the Direct Purchase Index for such Direct Purchase Period pursuant to Section 2.13 hereof.

“Direct Purchase Interest Rate Period” means each period during the Direct Purchase Period for which a particular Direct Purchase Rate is in effect.

“Direct Purchase Mode” means the Interest Rate Mode during which the Bonds bear interest at the Direct Purchase Rate and during which any Unremarketed Bonds, if any, remain Outstanding.

“Direct Purchase Period” means the entire period during which Bonds constitute Direct Purchase Bonds, which Direct Purchase Period shall generally be comprised of multiple Direct Purchase Interest Rate Periods, during which Direct Purchase Rates are in effect. A Direct Purchase Period shall also include any period during which any Unremarketed Bonds remain Outstanding.

“Direct Purchase Period Earliest Redemption Date” means during any Direct Purchase Period, the date or dates on which Direct Purchase Bonds are subject to optional redemption during the applicable Direct Purchase Period, as established by the Borrower, the Market Agent or the Direct Purchaser and as set forth in the applicable Bondholder Agreement or in Section 2.13 hereof.

“Direct Purchase Rate” means the interest rate per annum on Direct Purchase Bonds determined on a periodic basis as provided in Section 2.13 of this Bond Indenture.

“Direct Purchase Rate Determination Date” means during any Direct Purchase Period, such date established as such by the Borrower, the Market Agent or the Direct Purchaser as set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Direct Purchase Rate Mandatory Purchase Date” means the first day following the last day of each Direct Purchase Period, or any other date established as such in a Supplemental Bond Indenture or Bondholder Agreement.

“Direct Purchaser” means, during any Direct Purchase Period, the Holder of the Direct Purchase Bonds, if there is a single Holder of all of the Direct Purchase Bonds and provided, however, that the Bonds are not then held under the book-entry system. If there is more than one Holder of the Direct Purchase Bonds, “Direct Purchaser” means the Holder owning a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or if no Holder owns such majority, then the Holder holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding. If the Direct Purchase Bonds are then held under the book-entry system, “Direct Purchaser” means the Beneficial Owner of the Direct Purchase Bonds, if there is a single Beneficial Owner of all of the Direct Purchase Bonds. If there is more than one Beneficial Owner of the Direct Purchase Bonds, “Direct Purchaser” means the Beneficial Owner who is the Beneficial Owner of a majority in aggregate principal amount of the Direct Purchase Bonds then Outstanding or if no Beneficial Owner owns such majority, then the Beneficial Owner holding the largest aggregate principal amount of the Direct Purchase Bonds then Outstanding.

“DTC” means The Depository Trust Company.

“Electronic Means” means the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

“Electronic Notice” means a notice transmitted through Electronic Means.

“Eligible Bonds” means any Bonds bearing interest at a Daily Rate or a Weekly Rate other than Liquidity Facility Bonds, Credit Facility Bonds or Bonds owned by, for the account of, or on behalf of, the Authority or the Borrower.

“Eligible Moneys” means:

(a) Bond proceeds deposited with the Bond Trustee contemporaneously with the issuance and sale of the Bonds and which are continuously thereafter held subject to the lien of this Bond Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which are not Eligible Moneys are at any time held;

(b) moneys (i) paid or deposited by the Borrower to or with the Bond Trustee, (ii) held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held and (iii) which have so been on deposit with the Bond Trustee for at least 124 consecutive days from their receipt by the Bond Trustee if the Borrower is the sole Member of the Obligated Group or at least 367 consecutive days from their receipt by the Bond Trustee if there is more than one Member of the Obligated Group, or if such funds are provided by an Insider (within the meaning of Title 11 of the United States Bankruptcy Code), with respect to the Borrower, during and prior to which period no petition by or against the Authority or the Borrower or any such Insider under any bankruptcy or similar law now or hereafter in effect shall have been filed and no bankruptcy or similar proceeding otherwise initiated (unless such petition or proceeding shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys;

(c) moneys received by the Bond Trustee from any payment under a Credit Facility or a Liquidity Facility which are held in any fund, account or subaccount established hereunder in which no other moneys which are not Eligible Moneys are held, together with investment earnings on such moneys;

(d) proceeds from the remarketing of any Bonds pursuant to the provisions of this Bond Indenture to any person other than the Authority, the Borrower, or any Insider;

(e) proceeds from the issuance and sale of refunding bonds, together with the investment earnings on such proceeds, if there is delivered to the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) at the time of issuance and sale of such refunding bonds an opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Bond is an Insider) to the effect that the use of such proceeds and investment earnings to pay the principal or Redemption Price of or interest on the Bonds would not be avoidable as

preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Authority or the Borrower become a debtor in a proceeding commenced thereunder; and

(f) moneys which are derived from any source, including without limitation moneys from the Borrower, together with the investment earnings on such moneys, if the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) has received an unqualified opinion of nationally recognized bankruptcy counsel experienced in bankruptcy matters (which opinion may assume that no holder of a Bonds is an Insider) to the effect that payment of such amounts to a holder of a Bond would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Authority or the Borrower become a debtor in a proceeding commenced thereunder;

provided that such proceeds, moneys or income shall not be deemed to be Eligible Moneys or available for payment of the Bonds if, among other things, an injunction, restraining order or stay is in effect preventing such proceeds, moneys or income from being applied to make such payment. For the purposes of this definition, the term “moneys” shall include cash and any Qualified Investments.

“EMMA” means the Electronic Municipal Market Access internet website maintained by the Municipal Securities Rulemaking Board, or any successor designated by the Municipal Securities Rulemaking Board.

“Event of Default” means any of the events specified in Section 7.01.

“Expenses Account” means the Expenses Account in the Project Fund created by Section 5.02 of this Trust Indenture.

“Expiration Date” means (i) the date upon which a Liquidity Facility or Credit Facility is scheduled to expire (taking into account any extensions of such Expiration Date by virtue of extensions of a particular Liquidity Facility or Credit Facility, from time to time) in accordance with its terms, including without limitation termination upon delivery of an Alternate Liquidity Facility or an Alternate Credit Facility to the Bond Trustee and (ii) the date upon which a Liquidity Facility Agreement terminates following voluntary termination by the Borrower pursuant to Section 5.06 of the Loan Agreement and the terms of the related Liquidity Facility or Credit Facility.

“Favorable Opinion of Bond Counsel” means an opinion of Co-Bond Counsel, addressed to the Authority, the Remarketing Agent, if any, the Direct Purchaser, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Borrower and the Bond Trustee, to the effect that the action proposed to be taken is authorized or permitted or not prohibited by or in contravention of this Bond Indenture.

“Final Bond Resolution” means the Resolution adopted by the Authority on September 19, 2024, authorizing the issuance, delivery and sale of the Bonds.

“Fitch” means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Fixed Bonds” means Bonds that bear interest at Fixed Rates.

“Fixed Mode” means the Interest Rate Mode during which the Bonds bear interest at a Fixed Rate or Fixed Rates to their Maturity Date.

“Fixed Period” means the period to the Maturity Date during which Bonds constitute Fixed Bonds.

“Fixed Rate” means the per annum interest rate on a Bond in the Fixed Mode determined for such Bond pursuant to Section 2.14 hereof.

“Fixed Rate Conversion Date” means the effective date of a Conversion of the Bonds or a portion of the Bonds into a Fixed Period or from one Fixed Period to a new Fixed Period or another Interest Rate Period pursuant to the provisions of Section 2.15 hereof.

“Flexible Mode” means the Interest Rate Mode during which the Bonds bear interest at the Flexible Rate.

“Flexible Rate” means the per annum interest rate on a Bond in the Flexible Mode determined for such Bond pursuant to Section 2.09 hereof. The Bonds in the Flexible Mode may bear interest at different Flexible Rates.

“Flexible Rate Bond” means a Bond in the Flexible Mode.

“Flexible Rate Determination Date” means the first day of each Flexible Rate Period.

“Flexible Rate Period” means the period from one to 270 calendar days (which period must end on a day preceding a Business Day) during which a Flexible Rate Bond shall bear interest at a Flexible Rate, as established pursuant to Section 2.09 hereof. The Bonds in the Flexible Mode may be in different Flexible Rate Periods.

“Fourth Supplement” means that certain Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement) dated as of November 1, 2024, between TJU, on behalf of itself and as Combined Group Agent, and the Master Trustee, and pursuant to which the Obligated Group issued the Master Note securing the Bonds.

“FRN Bonds” means Bonds that bear interest at FRN Rates.

“FRN Index” means the SIFMA Index, Daily Simple SOFR, Term SOFR or such other index as the Remarketing Agent shall select in consultation with the Borrower not less than five Business Days prior to the FRN Rate Conversion Date as an index, which in the opinion of

nationally recognized tax counsel, is reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds or inflation, as applicable.

“FRN Index Percentage” means the percentage determined by the Borrower, in consultation with the Remarketing Agent, pursuant to Section 2.10(a) with respect to the determination of the FRN Rate.

“FRN Interest Rate Period” means each period during the FRN Period during which FRN Rates are in effect, as described in Section 2.10(a) of this Bond Indenture.

“FRN Mode” means the Interest Rate Mode during which the Bonds bear interest at FRN Rates.

“FRN Period” means the entire period during which Bonds constitute FRN Bonds, which FRN Period shall generally be comprised of multiple FRN Interest Rate Periods, during which FRN Rates are in effect.

“FRN Rate” means, with respect to the FRN Bonds in a particular FRN Interest Rate Period, the interest rate per annum on FRN Bonds during such FRN Interest Rate Period determined on a periodic basis as provided in Section 2.10 of this Bond Indenture, which is equal to the sum of (a) the FRN Index multiplied by the FRN Index Percentage, plus (b) the FRN Spread.

“FRN Rate Adjustment Date” means, with respect to FRN Bonds, the day on which the FRN Rate for the then-commencing FRN Interest Rate Period shall be effective, as determined by the Remarketing Agent, in consultation with the Borrower, prior to the FRN Rate Conversion Date, pursuant to Section 2.10(a) hereof.

“FRN Rate Conversion Date” means (a) a continuation of the FRN Bonds in a new FRN Interest Rate Period and (b) a conversion of the FRN Bonds to an FRN Interest Rate Period from an Interest Rate Period other than an FRN Interest Rate Period.

“FRN Rate Determination Date” means, with respect to any FRN Bonds, the Business Day on which the FRN Rate is determined by the Calculation Agent during each FRN Interest Rate Period in consultation with the Borrower, pursuant to Section 2.10(a) of this Bond Indenture.

“FRN Rate Hard Put Bonds” means those FRN Bonds that are required to be purchased on an FRN Rate Hard Put Mandatory Purchase Date, pursuant to the election of the Borrower under Section 2.10(c) hereof.

“FRN Rate Hard Put Mandatory Purchase Date” means, with respect to the FRN Rate Hard Put Bonds, the first day following the last day of each FRN Interest Rate Period.

“FRN Rate Mandatory Purchase Date” means, with respect to the FRN Bonds, each FRN Rate Hard Put Mandatory Purchase Date and FRN Rate Soft Put Mandatory Purchase Date.

“FRN Rate Soft Put Bonds” means any FRN Bonds that, pursuant to the election of the Borrower under Section 2.10(c), are required to be purchased on an FRN Rate Soft Put Mandatory Purchase Date, but only to the extent that (a) remarketing proceeds, (b) funds made available from

a Credit Facility or a Liquidity Facility or (c) other amounts made available by the Borrower, in its sole discretion, are available for such purchase.

“FRN Rate Soft Put Mandatory Purchase Date” means, with respect to the FRN Rate Soft Put Bonds, the first day following the last day of each FRN Interest Rate Period.

“FRN Spread” means the spread, determined by the Remarketing Agent, in consultation with the Borrower, in accordance with Section 2.10(a) prior to the commencement of an FRN Interest Rate Period, based on the relative spreads of securities that bear interest based on the FRN Index and FRN Index Percentage that, in the reasonable judgment of the Remarketing Agent under prevailing market conditions, are otherwise comparable to the Bonds or affecting the market for the Bonds or affecting such other comparable securities in a manner which, in the reasonable judgment of the Remarketing Agent, will affect the market for the Bonds (assuming for these purposes that the Bonds were to bear interest at FRN Rates for a particular FRN Interest Rate Period).

“Funding Amount” has the meaning set forth in Section 4.10(c)(iii) of this Bond Indenture.

“Governing Body” means, with respect to the Borrower, the board of directors or similar group in which the right to exercise the powers of corporate directors is vested.

“Holder,” “Bondholder,” “Owner,” “Registered Owner” or “holder” whenever used herein with respect to a Bond, means the Person in whose name such Bond is registered; provided, however, that any time the Bonds are held in a book-entry system, “Holder” or “Bondholder” shall mean Beneficial Owner of the Bonds.

“Immediate Termination Date” means, with respect to Bonds secured by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement, the date, if any, on which the Liquidity Facility Provider’s obligation to advance funds or purchase Bonds under such Liquidity Facility terminates immediately in accordance with its terms.

“Index Reset Date” means (i) with respect to Daily Simple SOFR, each day, (ii) with respect to Term SOFR, the first Business Day of each calendar month with a two-day lookback, and (iii) with respect to a SIFMA Index, Thursday of each week.

“Initial Fixed Period” means the Fixed Period commencing on the Date of Issuance and ending on the earlier of (i) the conversion to another Fixed Period or Interest Rate Mode, (ii) the date on which the Bonds are redeemed in full or (iii) the Maturity Date.

“Initial Window Rate Spread” means with respect to any Conversion to a Window Period, the spread determined by the Remarketing Agent on the applicable Window Rate Determination Date pursuant to Section 2.12 of this Bond Indenture.

“Interest Accrual Date” means:

- (a) with respect to any Weekly Period, any Daily Period, any Two Day Period, any Window Period, any FRN Period, any VRO Interest Rate Period, any Fixed Period or

any Long Term Period, the first day thereof and, thereafter, each Interest Payment Date during such period, other than the last such Interest Payment Date;

- (b) with respect to any Short Term Interest Rate Period, the first day thereof;

- (c) with respect to any Flexible Rate Period, the first day thereof; and

- (d) with respect to any Direct Purchase Interest Rate Period, the first Business Day of each calendar month, unless otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement;

“Interest Accrual Period” means, during any Direct Purchase Period, the first day thereof, to but not including the next succeeding Interest Accrual Date and, thereafter, each Interest Accrual Date during such period, to but not including the next succeeding Interest Accrual Date, unless otherwise established in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Interest Fund” means the fund by that name established pursuant to Section 5.04 of this Bond Indenture.

“Interest Payment Date” means:

- (a) with respect to any Weekly Period, any Daily Period, any FRN Period, any Two Day Period, or any VRO Interest Rate Period, the first Business Day of each calendar month;

- (b) with respect to any Fixed Period, including the Initial Fixed Period, or Long Term Period, each March 1 and September 1;

- (c) with respect to any Short Term Interest Rate Period, the first Business Day next succeeding the last day thereof;

- (d) with respect to any Window Period, the First Thursday of each month or if such first Thursday is not a Business Day, the next succeeding Business Day;

- (e) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date applicable thereto;

- (f) with respect to any Liquidity Facility Bonds or Credit Facility Bonds, as provided in the applicable Liquidity Facility or Credit Facility Agreement;

- (g) with respect to any Direct Purchase Period, the first Business Day of each calendar month, or as may otherwise be established in the applicable Supplemental Bond Indenture or Bondholder Agreement; and

- (h) in addition to the Interest Payment Dates set forth in (a)-(g) above, with respect to each Interest Rate Mode, the Conversion Date or otherwise the last day of such Interest Rate Mode.

“Interest Rate Mode” means a Daily Mode, a Two Day Mode, a Weekly Mode, a Short Term Mode, a Long Term Mode, an FRN Mode, a VRO Mode, a Window Mode, a Flexible Mode, a Direct Purchase Mode or a Fixed Mode.

“Interest Rate Period” means a Daily Interest Rate Period, a Two Day Interest Rate Period, a Weekly Interest Rate Period, a Short Term Interest Rate Period, a Long Term Interest Rate Period, a Flexible Rate Period, a FRN Interest Rate Period, a VRO Interest Rate Period, a Window Interest Rate Period, a Direct Purchase Interest Rate Period or a Fixed Period.

“Letter of Representations” means the Blanket Issuer Letter of Representations between the Authority and DTC.

“Liquidity Facility” means a line of credit, letter of credit, standby purchase agreement, loan, guarantee, or similar liquidity facility for a Series of Bonds issued by a commercial bank or other financial institution which, by its terms, provides for the payment of the Purchase Price of Bonds tendered and not remarketed, and delivered to the Bond Trustee in accordance with Section 5.04 of the Loan Agreement or, in the event of the delivery of an Alternate Liquidity Facility, such Alternate Liquidity Facility, in each case, as amended, restated, supplemented or otherwise modified pursuant to its terms. To the extent a Credit Facility provides for such payment, it shall also be deemed a Liquidity Facility.

“Liquidity Facility Account” means the account by that name in the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Liquidity Facility Bonds” means Bonds purchased with moneys drawn under (or otherwise obtained pursuant to the terms of) a Liquidity Facility, but excluding Bonds no longer considered to be Liquidity Facility Bonds in accordance with the terms of such Liquidity Facility.

“Liquidity Facility Provider” means the commercial bank or other financial institution issuing (or having primary obligation, or acting as agent for the financial institutions obligated, under) a Liquidity Facility then in effect.

“Liquidity Facility Rate” means the rate per annum, if any, specified in a Liquidity Facility as applicable to Liquidity Facility Bonds, which shall not exceed the Maximum Interest Rate, subject to the terms of the related Liquidity Facility.

“Loan” means the loan made by the Authority to the Borrower under the Loan Agreement.

“Loan Agreement” means that certain Series 2024C Loan Agreement dated as of even date herewith between the Authority and the Borrower, as it may from time to time be amended in accordance with the terms hereof or thereof, initially providing for the loan to the Borrower of the proceeds of the Bonds.

“Loan Default Event” means any of the events specified in Section 6.01 of the Loan Agreement.

“Loan Repayments” means the payments of principal of and interest on the Loan referred to in Section 4.01 of the Loan Agreement.

“Long Term Bonds” means Bonds that bear interest at Long Term Rates.

“Long Term Interest Rate Period” means each period during the Long Term Period for which a particular Long Term Rate is in effect.

“Long Term Mode” means the Interest Rate Mode during which the Bonds bear interest at the Long Term Rate.

“Long Term Period” means the entire period during which Bonds thereof constitute Long Term Bonds, which Long Term Period shall generally be comprised of multiple Long Term Interest Rate Periods, during which Long Term Rates are in effect.

“Long Term Rate” means the non-variable interest rate per annum on Long Term Bonds determined on a periodic basis as provided in Section 2.08 of this Bond Indenture.

“Long Term Rate Mandatory Purchase Date” means the first day following the last day of each Long Term Interest Rate Period.

“Mandatory Purchase Date” means any Purchase Date on which Bonds are subject to mandatory purchase pursuant to Sections 4.07, 4.08 or 4.09 of this Bond Indenture, including as set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Mandatory Purchase Window” means, during a Window Period, (a) 210 days or (b) such other number of days specified by the Remarketing Agent prior to the commencement of the Window Period, with the consent of the Borrower, in a written notice to the Bond Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Any change in the Mandatory Purchase Window shall become effective only at the commencement of a Window Period, on a Window Rate Mandatory Purchase Date or any other mandatory tender for purchase for Window Bonds that occurs pursuant to Section 4.07 during such Window Period.

“Margin Rate Factor” means the product of (a) one minus the prevailing Maximum Federal Corporate Tax Rate multiplied by (b) the quotient of (A) one divided by (B) (1) one minus (2) the Maximum Federal Corporate Tax Rate at closing. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

“Market Agent” means the Person, if any, appointed by the Borrower to serve as market agent in connection with any Direct Purchase Period.

“Master Indenture” means the Amended and Restated Master Trust Indenture (Security Agreement) dated as of February 1, 2022, by and among the Members of the Obligated Group and the Master Trustee, as previously amended and supplemented and as it may hereafter be amended, supplemented or modified from time to time.

“Master Note” has the meaning set forth in the recitals hereto.

“Master Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, as Master Trustee under the Master Indenture, or its successor.

“Maturity Date” means September 1, 20[].

“Maximum Federal Corporate Tax Rate” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Direct Purchaser, the maximum statutory rate of federal income taxation which could apply to the Direct Purchaser as of such day).

“Maximum Interest Rate” means 12% per annum for all Bonds except Direct Purchase Bonds, Liquidity Facility Bonds and Credit Facility Bonds, for which the Maximum Interest Rate shall be the Maximum Lawful Rate; provided, however, that in any case the Maximum Interest Rate on any Bonds shall not exceed the Maximum Lawful Rate.

“Maximum Lawful Rate” means the maximum nonusurious rate of interest on the relevant obligation permitted by applicable law.

“Member,” “Member of the Obligated Group” or “Obligated Group Member” has the meaning set forth in the Master Indenture.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Noticed Termination Date” means, with respect to Bonds supported by a Liquidity Facility in the form of a standby bond purchase agreement or other standby liquidity agreement or a Credit Facility, the date on which a Liquidity Facility Provider’s or Credit Facility Provider’s obligation to advance funds or purchase Bonds under a Liquidity Facility or Credit Facility terminates or has not been reinstated as stated in the Liquidity Facility Provider’s or Credit Facility Provider’s notice of termination delivered pursuant to the Liquidity Facility or Credit Facility and related Credit Facility Agreement or Liquidity Facility Agreement due to a non-reimbursement of the Credit Facility Provider or Liquidity Facility Provider or default under specified sections of the Liquidity Facility or Credit Facility Agreement, as applicable, which date of termination shall be fifteen (15) days (or such other period as is specified in the Liquidity Facility Agreement or Credit Facility Agreement) after the date of receipt by the Bond Trustee of such notice.

“Obligated Group” means the Obligated Group created by the Master Indenture.

“Opinion of Counsel” means a written opinion of counsel (who may be Co-Bond Counsel or counsel for the Borrower or the Authority) appointed by the Office of General Counsel or selected by the Borrower.

“Optional Redemption Fund” means the account by that name established pursuant to Section 5.06 of this Bond Indenture.

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09 of this Bond Indenture) all Bonds theretofore, or thereupon

being, authenticated and delivered by the Bond Trustee under this Bond Indenture except (a) Bonds theretofore canceled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.01 of this Bond Indenture, including Bonds (or portions of Bonds) referred to in Section 11.10 of this Bond Indenture; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to this Bond Indenture; (d) Bonds alleged to have been mutilated, destroyed, lost or stolen and for which security or indemnity has been provided, as provided in Section 2.19 of this Bond Indenture; and (e) any Undelivered Bond.

“Paying Agent” means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal of and interest on the Bonds. Initially, the Bond Trustee will act as the Paying Agent.

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

“Prime Rate” means, during any Direct Purchase Period, the Prime Rate set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Project Fund” means the account by that name established pursuant to Section 5.02.

“Principal Office” of a Remarketing Agent, a Calculation Agent or a Market Agent means the address for such Remarketing Agent, Calculation Agent or Market Agent designated in writing to the Bond Trustee and the Borrower.

“Project” or “2024 Project” has the meaning set forth in the recitals hereto.

“Purchase Date” means each date on which Bonds are subject to optional or mandatory purchase pursuant to this Bond Indenture and shall include each Mandatory Purchase Date and each date on which the Borrower provides funds pursuant to the proviso contained in Section 4.18(b) hereof following return of the Bonds to the Holders pursuant to Section 4.18(a) hereof.

“Purchase Price” means, with respect to a Bond subject to purchase on a Purchase Date, an amount equal to the principal amount thereof plus accrued interest to, but not including, the Purchase Date; provided, however, that:

(a) if the Purchase Date for any Purchased Bond is an Interest Payment Date, the Purchase Price thereof shall be the principal amount thereof, and interest on such Bond shall be paid to the Holder of such Bond pursuant to this Bond Indenture; and

(b) in the case of a purchase on the first day of an Interest Rate Period which is preceded by a Long Term Period and which commences prior to the day originally established as the last day of such preceding Long Term Period, “Purchase Price” of any Purchased Bonds means the optional Redemption Price set forth in Section 4.01(g) hereof

which would have been applicable to such Bond if the preceding Long Term Period had continued to the day originally established as its last day, plus accrued interest, if any.

“Purchased Bonds” means the Bonds to be purchased on a Purchase Date pursuant to Sections 4.06, 4.07, 4.08 or 4.09 of this Bond Indenture.

“Qualified Investments” means such of the following as shall mature, or shall be subject to redemption by the holder thereof at the option of such holder, not later than the respective dates when the moneys will be required for the purposes intended: (i) United States Government Obligations, (ii) Agency Obligations, (iii) debt obligations (A) which are issued by any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, and (B) which are, or the obligor on which is, at the time of purchase, rated by a Rating Agency and, as to any such Rating Agency, in any of its four (4) highest Rating Categories; (iv) deposit, money market or demand accounts, other deposit products or any bank certificates of deposit, whether negotiable or nonnegotiable, issued by any bank, trust company or national banking association (including the Bond Trustee and any Affiliate of the Bond Trustee), provided that, such certificates of deposit must be continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by United States Government Obligations and/or Agency Obligations having a market value (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at all times at least equal to the principal amount of such certificates of deposit (or portion thereof not insured as aforesaid), which securities shall be lodged with the Bond Trustee, or any Federal Reserve Bank, as custodian, by the issuer of such certificates of deposit; (v) bonds, notes, debentures, investment agreements or other evidences of indebtedness issued or guaranteed by a corporation or other financial institution which are, or the obligor on which is, at the time of purchase, rated by a Rating Agency and, as to any such Rating Agency, in any of its four (4) highest Rating Categories; (vi) commercial paper, which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1 by S&P and which matures not more than 270 calendar days after the date of purchase; (vii) investments in money market funds (including money market funds for which the Bond Trustee or an Affiliate performs a service and receives a fee) which are registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, and which, at the time of purchase, are rated by a Rating Agency and, as to any such Rating Agency in any of its three (3) highest Rating Categories, provided that sums not in excess of \$1,000,000 may be invested in money market instruments which do not satisfy the foregoing requirements for periods of up to six (6) months; and (viii) Repurchase Agreements.

“Rating Agency” means S&P, Moody’s or Fitch.

“Rating Category” means a generic securities rating category, without regard, in the case of a long term rating category, to any refinement or gradation of such long term rating category by a numerical modifier or otherwise.

“Record Date” means, with respect to any Interest Payment Date, (a) with respect to any Bonds other than Long Term Bonds or Fixed Bonds, the Business Day immediately preceding such Interest Payment Date, and (b) with respect to Long Term Bonds and Fixed Bonds the fifteenth day of the month preceding the month in which such Interest Payment Date occurs, whether or not such day is a Business Day.

“Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the applicable premium (including breakage costs, if any, payable under a Bondholder Agreement during a Direct Purchase Period), if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Bond Indenture.

“Refunded Indebtedness” has the meaning set forth in the recitals hereto.

“Refunding Project” means the refunding and/or defeasance of the Refunded Indebtedness.

“Registration Books” means books maintained by the Bond Trustee on behalf of the Authority at the Corporate Trust Office of the Bond Trustee for the purpose of recording the registration, transfer, exchange or replacement of any of the Bonds.

“Reimbursement Obligations” means those amounts required to be reimbursed to a Credit Facility Provider or Liquidity Facility Provider upon payment under a Credit Facility or Liquidity Facility.

“Relevant Governmental Body” shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Remarketing Agent” means, with respect to the Bonds, the financial institution or institutions designated by the Borrower as the Remarketing Agent, if any, for such Bonds, or any other Remarketing Agent or successor or additional Remarketing Agent appointed in accordance with this Bond Indenture. No Remarketing Agent shall be required during any Fixed Period, during any Direct Purchase Period until the applicable Direct Purchase Rate Mandatory Purchase Date or during any Long Term Rate Period until the applicable Long Term Rate Mandatory Purchase Date.

“Remarketing Agreement” means any agreement between TJU and a Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the Remarketing Agent under this Bond Indenture.

“Remarketing Proceeds Account” means the account by that name within the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“Remarketing Window” has the meaning given in Section 4.10(c)(iv) of this Bond Indenture.

“Repurchase Agreement” means written repurchase agreements collateralized by United States Government Obligations and/or Agency Obligations (the “Collateral Securities”) with any registered broker/dealer subject to the jurisdiction of the Securities Investors’ Protection Corporation or any commercial bank whose deposits are insured by the FDIC (including any broker/dealer affiliated with the Bond Trustee), if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation, at the time of purchase, rated “A3” or better by Moody’s, and “A-” or better by S&P, provided that:

(a) a master repurchase agreement or other specific written repurchase agreement governs the transaction;

(b) the Collateral Securities are held free and clear of any lien by an independent third party acting solely as agent for the Bond Trustee (as may be evidenced by an opinion of counsel acceptable to the Bond Trustee) or an independent third party acting solely as agent (“Agent”) for the Bond Trustee, and such third party is (1) a Federal Reserve Bank or (2) a bank that is a member of the FDIC and that has combined capital, surplus and undivided profits of not less than \$50,000,000, and the Bond Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bond Trustee;

(c) the Agent will value the Collateral Securities no less frequently than weekly and will liquidate the Collateral Securities if any deficiency in the required collateral percentage is not restored within two Business Days of such valuation; and

(d) the fair market value of the Collateral Securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102%.

“Required Stated Amount” means with respect to a Liquidity Facility or a Credit Facility, at any time of calculation, an amount equal to the aggregate principal amount of all Bonds then Outstanding supported by such Liquidity Facility or Credit Facility together with interest accruing thereon (assuming an annual rate of interest equal to the Maximum Interest Rate) for the minimum period specified by the Rating Agencies then rating such Bonds as necessary to obtain (or maintain) a specified short term rating of such Bonds.

“Responsible Officer” means any officer within the corporate trust department of the Bond Trustee, including any vice president, assistant vice president or any other officer of the Bond Trustee within the corporate trust office specified in Section 11.07 (or any successor corporate trust office) who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Bond Indenture.

“Revenue Fund” means the fund by that name established pursuant to Section 5.03 of this Bond Indenture.

“Revenues” means all amounts received by the Authority or the Bond Trustee pursuant or with respect to the Loan Agreement or the Master Note, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), prepayments, insurance proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Bond Indenture (other than the Bond Purchase Fund), but not including the Authority’s Unassigned Rights, any Administrative Fees and Expenses, Additional Payments, any moneys required to be deposited in the Bond Purchase Fund or any interest, profits or other income required to be retained in the Bond Purchase Fund.

“S&P” means S&P Global Ratings, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Borrower by notice in writing to the Authority and the Bond Trustee and the Direct Purchaser, if any.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Depository” means The Depository Trust Company and its successors and assigns, or any other securities depository selected as set forth in Section 2.22.

“Self-Liquidity Arrangement” means an agreement or other arrangement from the Borrower to pay the Purchase Price of the Bonds without the support of a Credit Facility or a Liquidity Facility.

“Series,” when used with respect to the Bonds, means all the Bonds designated as being of the same Series, whether upon initial issuance thereof or upon any Conversion of a portion of a Series and redesignation thereof into one or more sub-Series, authenticated and delivered in a simultaneous transaction, and any Bonds thereafter authenticated and delivered upon a transfer or exchange or in lieu of or in substitution for such Bonds of such Series or sub-Series, or upon a Conversion of a portion of any Series or sub-Series of the Bonds, as herein provided. In the event that the Bonds or a portion of the Bonds have been so designated as being in more than a single Series or sub-Series, references in this Bond Indenture and in the Loan Agreement to the Bonds shall, as the context may require, refer to only the Bonds of the particular Series or sub-Series in question.

“Short Term Bonds” means Bonds that bear interest at Short Term Rates.

“Short Term Interest Rate Period” means each period during the Short Term Period for which a particular Short Term Rate is in effect.

“Short Term Mode” means the Interest Rate Mode during which the Bonds bear interest at Short Term Rates.

“Short Term Period” means each period during which Bonds constitute Short Term Bonds, which Short Term Period shall generally be comprised of multiple Short Term Interest Rate Periods, during which Short Term Rates are in effect.

“Short Term Rate” means the interest rate per annum on Short Term Bonds determined on a periodic basis as provided in Section 2.07 of this Bond Indenture.

“Short Term Rate Mandatory Purchase Date” means the first day following the last day of each Short Term Interest Rate Period.

“SIFMA” means the Securities Industry and Financial Markets Association.

“SIFMA Index” means, on any date, a rate determined on the basis of the seven day high grade market index of taxable variable rate demand obligations, as produced by Bloomberg (or successor organizations) and published or made available by SIFMA or any Person acting in

cooperation with or under the sponsorship of SIFMA and acceptable to the Borrower and effective from such date or if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or successor organizations) or (ii) with a Favorable Opinion of Bond Counsel, such other index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to the Bonds as selected by the Borrower.

“Sinking Fund Installment” means the amount required by Section 5.05(d) of this Bond Indenture to be paid on any single date for the retirement of Bonds of a Series.

“Special Record Date” means the date established by the Bond Trustee pursuant to Section 2.02(b)(vi) of this Bond Indenture as the record date for the payment of defaulted interest on Bonds.

“Substitute Obligation” has the meaning set forth in Section 6.08 of this Bond Indenture.

“Supplemental Bond Indenture” means any indenture hereafter duly authorized and entered into between the Authority and the Bond Trustee, supplementing, modifying or amending this Bond Indenture; but only if and to the extent that such Supplemental Bond Indenture is specifically authorized hereunder.

“Tax Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Term Out Period” means, during any Direct Purchase Period, the Term Out Period, if any, established by the Direct Purchaser or the Market Agent, or while a Liquidity Facility or Credit Facility is in place, the Term Out Period, if any, established by the Liquidity Facility Provider or Credit Facility Provider, or as otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Term Out Rate” means, during any Direct Purchase Period, the Term Out Rate, if any, established by the Direct Purchaser or the Market Agent, or while a Liquidity Facility or Credit Facility is in place, the Term Out Rate, if any, established by the Liquidity Facility Provider or Credit Facility Provider, or as otherwise set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

“Term SOFR” means the forward-looking term rate with a tenor of approximately one month based upon the secured overnight financing rate published for such U.S. Government Securities Business Day immediately preceding such effective date by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

“TJU” has the meaning set forth in the recitals hereto.

“Two Day Bonds” means Bonds that bear interest at Two Day Rates.

“Two Day Interest Rate Period” means each two day period during a Two Day Period for which a particular Two Day Rate is in effect.

“Two Day Mode” means the Interest Rate Mode during which the Bonds bear interest at Two Day Rates.

“Two Day Period” means the entire period during which Bonds constitute Two Day Bonds, which Two Day Period shall generally be comprised of multiple Two Day Interest Rate Periods, during which Two Day Rates are in effect.

“Two Day Rate” means the interest rate per annum on Two Day Bonds determined on a two day basis as provided in Section 2.05 of this Bond Indenture.

“Unassigned Rights” means the rights of the Authority expressly granted to the Authority in this Bond Indenture or in the Loan Agreement to (a) inspect books and records, (b) give or receive notices, approvals, consents, requests, and other communications, (c) receive payment or reimbursement for expenses or fees, (d) the benefit of all provisions providing the Authority immunity from and limitation of liability, (e) indemnification from liability by the Borrower, (f) security for the Borrower's indemnification obligation and (g) decide whether to execute and deliver supplements and amendments to this Bond Indenture or the Loan Agreement.

“Undelivered Bond” means any Bond that constitutes an Undelivered Bond under the provisions of Section 4.12 of this Bond Indenture.

“Undelivered Bond Payment Account” means the account by that name within the Bond Purchase Fund established pursuant to Section 4.10(a)(ii) of this Bond Indenture.

“United States Government Obligations” means obligations that are direct, full faith and credit obligations of the United States of America or are obligations with respect to which the United States of America has fully and unconditionally guaranteed the timely payment of all principal or interest or both, but only to the extent of the principal or interest so guaranteed, including United States Agency for International Development Bonds and Resolution Funding Corporation Interest STRIPS.

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (or a successor) recommends that the fixed income departments of its members be closed for the entire day for the purpose of trading in U.S. government securities.

“Unremarketed Bonds” means Direct Purchase Bonds for which the Holders have not received the full Purchase Price of all of their Bonds on the applicable Direct Purchase Rate Mandatory Purchase Date.

“VRO” means Variable Remarketed Obligation.

“VRO Bonds” means Bonds that bear interest at VRO Rates.

“VRO Interest Rate Period” means each period during which Bonds are in the VRO Mode, which VRO Interest Rate Period shall generally be comprised of multiple VRO Interest Rate Periods, during which VRO Rates are in effect.

“VRO Interest Rate Period Designated Amount” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Failed Remarketing Event” has the meaning given in Section 2.11(c)(i).

“VRO Interest Rate Period Purchase Date” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Purchase Price” has the meaning given in Section 2.11(b)(ii).

“VRO Interest Rate Period Remarketing Date” has the meaning given in Section 2.11(c)(ii).

“VRO Interest Rate Period Remarketing Date Purchase Price” has the meaning given in Section 2.11(c)(ii).

“VRO Interest Rate Period Remarketing Notice” has the meaning given in Section 2.11(b)(iv).

“VRO Interest Rate Period Remarketing Window” has the meaning given in Section 2.11(b)(iv).

“VRO Interest Rate Period Special Mandatory Redemption Date” means the earlier of (i) the maturity date of the VRO Bonds and (ii) the third annual anniversary of the VRO Interest Rate Period Tender Notice Date relating to the VRO Interest Rate Period Tender Notice that resulted in the applicable VRO Interest Rate Period Failed Remarketing Event (or if such day is not a Business Day, the next preceding Business Day).

“VRO Interest Rate Period Tender Notice” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Tender Notice Date” has the meaning given in Section 2.11(b)(i).

“VRO Interest Rate Period Tendered Bonds” has the meaning given in Section 2.11(b)(ii).

“VRO Mode” means the Interest Rate Mode during which the Bonds bear interest at the VRO Rate.

“VRO Rate” means the interest rate per annum on VRO Bonds determined on a periodic basis as provided in Section 2.11 of this Bond Indenture.

“VRO Step Up Rate” means the lesser of (i) 12% per annum or (ii) the Maximum Lawful Rate.

“Weekly Bonds” means Bonds that bear interest at Weekly Rates.

“Weekly Interest Rate Period” means each weekly period during the Weekly Period for which a particular Weekly Rate is in effect.

“Weekly Mode” means the Interest Rate Mode during which the Bonds bear interest at Weekly Rates.

“Weekly Period” means the entire period during which Bonds constitute Weekly Bonds, which Weekly Period shall generally comprise multiple Weekly Interest Rate Periods, during which Weekly Rates are in effect.

“Weekly Rate” means the interest rate per annum on Weekly Bonds determined on a weekly basis as provided in Section 2.06 of this Bond Indenture.

“Window Bonds” means Bonds that bear interest at Window Rates.

“Window Interest Rate Period” means each period during the Window Period for which a particular Window Rate is in effect, which shall be a period generally consisting of 7 days commencing on a Thursday and ending on the following Wednesday, except in the case of (a) the initial Window Rate Interest Period occurring after a Conversion to the Window Mode for which the period shall be from the applicable Conversion Date to and including the following Wednesday and (b) the last Window Interest Rate Period during a Window Period, for which the period shall end on the day preceding the applicable Conversion Date, redemption date or Maturity Date.

“Window Mode” means the Interest Rate Mode during which the Bonds bear interest at the Window Rate.

“Window Period” means the entire period during which Bonds constitute Window Bonds, which Window Period shall generally be comprised of multiple Window Interest Rate Periods, during which Window Rates are in effect.

“Window Rate” means the interest rate per annum on Window Bonds determined on a periodic basis as provided in Section 2.12 of this Bond Indenture.

“Window Rate Determination Date” means, with respect to Window Bonds, in the case of a Conversion of Bonds to the Window Period, a Business Day not later than the applicable Conversion Date, and thereafter, each Thursday or, if Thursday is not a Business Day, then the Business Day next following such Thursday.

“Window Rate Mandatory Purchase Date” has the meaning given in Section 4.11(b)(iii) of this Bond Indenture.

“Window Rate Optional Purchase Date” has the meaning given in Section 4.06(b)(iii) of this Bond Indenture.

“Window Rate Spread” means, during a Window Period, (a) the Initial Window Rate Spread, or (b) a revised spread determined by the Remarketing Agent pursuant to Section 2.12.

“Written Request” means with reference to the Authority, a request in writing signed by an Authorized Representative of the Authority and, with reference to the Borrower, means a request in writing signed by an Authorized Representative of the Borrower.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Bond Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(d) Any reference herein to the Authority, the governing body or any member or officer thereof shall include those succeeding to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

(e) Any terms not defined herein but defined in the Loan Agreement or the Master Indenture, shall have the same meaning herein.

(f) Words importing the redemption of a Bond or the calling of a Bond for redemption do not mean or include the payment of a Bond at its Maturity Date or the purchase of a Bond.

Section 1.03. Content of Certificates and Opinions. Every certificate or opinion provided for in this Bond Indenture with respect to compliance with any provision hereof shall include (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based; and (5) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

Any such certificate or opinion made or given by an Authorized Representative of the Authority or the Borrower may be based, insofar as it relates to legal, accounting or business matters, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is materially erroneous. Any such

certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an Authorized Representative of the Authority or the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is materially erroneous. The same Authorized Representative of the Authority or the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Bond Indenture, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II
THE BONDS

Section 2.01. Authorization of Bonds. The Series 2024C Bonds to be designated as “Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C” and will be issued in the aggregate principal amount of \$[_____]. In connection with any Conversion of Bonds (in whole or in part) or any mandatory tender and remarketing of Bonds (in whole or in part) on any Purchase Date, at the direction of the Borrower any such Bonds or portions of the Bonds may be reconfigured, combined or re-designated or divided to create sub-Series or to combine any such sub-Series. All Bonds shall be equally and ratably secured by this Bond Indenture. This Bond Indenture constitutes a continuing agreement with the Holders from time to time of the Bonds to secure the full payment of the principal, Redemption Price and Purchase Price of and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

The total principal amount of the Series 2024C Bonds that may be issued pursuant to this Bond Indenture is hereby expressly limited to \$[_____].

Section 2.02. Terms of the Bonds; Registration; Denominations; Payment of Principal and Interest.

(a) The Bonds shall be issued as fully registered Bonds without coupons in Authorized Denominations (other than Bonds during any Direct Purchase Period which may be in any larger denominations as may be directed by the Direct Purchaser). The Bonds shall be registered in the name of “Cede & Co.,” as nominee of the Securities Depository (except during any Direct Purchase Period, when the Bonds may be registered in the name of the Direct Purchaser as provided in Section 2.13(d)(iii) hereof or as otherwise directed by the Direct Purchaser), and shall be evidenced by one Bond certificate for each interest rate and Maturity Date (upon a future Conversion to a new Fixed Period, which, if serialized, may be evidenced by a Bond certificate for each interest rate and Maturity Date as provided in Section 2.15(f)(vi) hereof). Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.21 hereof.

The Bonds, as initially issued, shall be dated their Date of Issuance. Subsequently issued Bonds will be dated as of the most recent Interest Payment Date to which interest has been paid on or prior to the date on which it is authenticated or, if authenticated prior to the first Interest Payment Date, as of the date of their initial issuance. The Bonds shall be numbered in consecutive numerical order from RC-1 upwards.

(b) The Bonds shall bear interest, payable on each Interest Payment Date in immediately available lawful money of the United States of America, at the rates for the applicable Interest Rate Mode and Maturity Date, as applicable, determined pursuant to this Article II from the date thereof, and shall mature on the Maturity Date.

(i) [Reserved].

(ii) For any Weekly Period, Daily Period, Two Day Period, FRN Period, VRO Interest Rate Period or Window Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding the Interest Payment Date (or, if sooner, the last day of the Weekly Period, Daily Period, Two Day Period, FRN Period, VRO Interest Rate Period or Window Period, as applicable). For any Short Term Period, Flexible Rate Period, Fixed Period or Long Term Period, interest shall be payable on each Interest Payment Date for the period commencing on (and including) the immediately preceding Interest Accrual Date and ending on the day immediately preceding such Interest Payment Date. For any Direct Purchase Period, interest shall be payable on each Interest Payment Date for each Interest Accrual Period. For the Initial Fixed Period, interest shall be payable on each March 1 and September 1, commencing March 1, 2025.

(iii) Interest on the Bonds shall be payable to the date on which the respective Bonds shall have been paid in full. Interest shall be computed, in the case of Fixed Bonds or Long Term Bonds, on the basis of a 360 day year consisting of twelve 30 day months, in the case of Direct Purchase Bonds, on the basis of a 365-366 day year, as appropriate, and the actual days elapsed or on the basis of a 360 day year for the actual number of days elapsed, as set forth in the applicable Bondholder Agreement, and in the case of Weekly Bonds, Daily Bonds, Two Day Bonds, Short Term Bonds, FRN Bonds, VRO Bonds, Window Bonds, or Flexible Rate Bonds, on the basis of a 365 or 366 day year, as appropriate, and the actual number of days elapsed.

(iv) The interest rates for the Bonds and the determination of the interest rates for the Bonds by the Remarketing Agent, the Market Agent, or the Calculation Agent, as applicable, shall be conclusive and binding upon the Authority, the Borrower, the Bond Trustee, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of such Bonds.

(v) Except as provided in the following sentence and in Section 2.02(f) below for any Direct Purchase Period, interest on the Bonds shall be payable on each Interest Payment Date by the Bond Trustee to the Holder of Bonds who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Bond Trustee with written payment instructions.

(vi) If available funds are insufficient on any Interest Payment Date to pay the interest then due on the Bonds, interest shall continue to accrue thereon but shall cease to be payable to the Holder on such Record Date. If sufficient funds for the payment of such overdue interest thereafter become available, the Bond Trustee shall (A) establish a "special interest payment date" for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Bondholders entitled to such payment and (B) mail notices by first class mail of such dates as soon as practicable. Notice of each such date so established shall be mailed to each Bondholder at least ten (10) days prior to the Special Record Date but not more than thirty (30) days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Holders, as shown on the Registration Books as of the close of business on the Special Record Date.

(vii) Notwithstanding the foregoing provisions of this Section 2.02(b), Liquidity Facility Bonds and Credit Facility Bonds shall bear interest, respectively, at the applicable Liquidity Facility Rate or the applicable Credit Facility Rate and shall be payable on the dates, in the amounts and in the manner as set forth in this Bond Indenture and the applicable Liquidity Facility Agreement or Credit Facility Agreement.

(c) The Bonds shall initially mature, subject to prior redemption as provided in the form thereof, in the amounts and on the dates and bear interest at the rates set forth below:

Year of Maturity (September 1)	Interest Rate	Principal Amount

(i) The Sinking Fund Installments established for the Bonds pursuant to Section 5.05(d) may be redesignated as Maturity Dates and Sinking Fund Installments on a Fixed Rate Conversion Date for the Bonds to a Fixed Period as provided in Section 2.15(f)(vi) of this Bond Indenture.

(ii) The Maturity Dates and Sinking Fund Installments established for any Fixed Period may be redesignated as Maturity Dates and Sinking Fund Installments on a Conversion Date for the Bonds as provided in Section 2.15(f)(vii) of this Bond Indenture.

(iii) The full principal or Redemption Price of the Bonds shall be payable in lawful money of the United States of America at the Corporate Trust Office of the Bond Trustee upon surrender of the Bonds to the Bond Trustee for cancellation; provided that the Bond Trustee may agree with the Holder of any Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond in the form set forth below (which shall be typed or printed on such Bond):

	Payments on Account Principal		
	Principal Amount	Balance of Principal	
Payment Date	Paid	Amount Unpaid	Signature of Holder

The Bond Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Bond Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Holder of such Bond, and the Authority and the Bond Trustee shall be fully released and discharged from all liability to the extent of such payment regardless of whether such endorsement shall or shall not have been made upon such Bond by the Holder thereof and regardless of any error or omission in such endorsement.

(d) The Bonds shall be subject to redemption as provided in Articles IV and V.

(e) Except during any period when the Bonds are not required or permitted to have CUSIP numbers as may be specified in a Bondholder Agreement, the Bond Trustee shall identify all payments (whether made by check or by wire transfer) of interest, principal and Redemption Price by CUSIP number of the Bonds.

(f) The Authority and the Bond Trustee agree that during any Direct Purchase Period, the Direct Purchaser may determine and direct, by Electronic Notice to the Borrower, the Authority, and the Bond Trustee, that all amounts payable with respect to the Bonds shall be paid directly by the Borrower to the Direct Purchaser (without any presentment thereof to the Borrower or to the Bond Trustee, except upon the payment of the final installment of principal, when presentment shall be made to the Bond Trustee, and without any notation of such payment being made thereon) in such manner and at the address or wire instructions specified in the Bondholder Agreement or at such other address in the United States as may be designated by the Direct Purchaser in writing to the Bond

Trustee and the Borrower. Any payment made shall be accompanied by sufficient information to identify the source and proper application of such payment. The Direct Purchaser shall notify the Authority, the Borrower and the Bond Trustee in writing of any failure of the Borrower to make any payment of the principal or Purchase Price of or interest on the Bonds when due, and the Bond Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing. Subject to the terms set forth in Section 2.17, if the Bonds are sold or transferred, the selling or transferring Holder shall notify the Authority, the Bond Trustee and the Borrower in writing of the name and address of the transferee, the effective date of the transfer, the outstanding principal amount of the Bonds as of the transfer date and the payment information notated on the Bonds as described below, and it will, prior to delivery of such Bonds, make a notation on such Bonds of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. Furthermore, the Bond Trustee shall have no obligations to make payments of the principal, Redemption Price or Purchase Price of or interest on the Bonds, nor shall the Bond Trustee be obligated to collect any required payments under the Loan Agreement or to take any other action in respect thereof, except at the express written direction of the Borrower or the Direct Purchaser. The Direct Purchaser shall notify the Authority, the Bond Trustee and the Borrower by Electronic Notice or by other writing, not later than the Business Day preceding each Interest Payment Date, of the amount of principal and interest due and payable on each such Interest Payment Date.

Section 2.03. Initial Interest Rates; Subsequent Interest Rates.

(a) Interest Rate Mode for the Series 2024C Bonds. The Interest Rate Mode for the Series 2024C Bonds shall initially be the Fixed Mode and the Series 2024C Bonds shall bear interest at the Fixed Rate as set forth in Section 2.14 and shall mature, subject to earlier redemption, on the Maturity Date.

(b) Interest Rate Periods. In the manner hereinafter provided, the term of the Bonds in each Interest Rate Mode will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at a Daily Rate, a Two Day Rate, a Weekly Rate, a Short Term Rate, a Long Term Rate, a Flexible Rate, an FRN Rate, a VRO Rate, a Window Rate, a Fixed Rate or a Direct Purchase Rate, as may be applicable for the specific Interest Rate Mode.

(c) Determination of Interest Rates Upon Conversion.

(i) Interest Rates. All Bonds shall be in the same Interest Rate Mode and operate in the same Interest Rate Period, subject to future designations as separate Series, in which case all Bonds of a Series shall be in the same Interest Rate Mode and operate in the same Interest Rate Period.

(ii) Maximum Interest Rate. Interest on the Bonds shall not exceed the Maximum Interest Rate applicable thereto.

(iii) [Reserved].

(iv) Daily Bonds, Two Day Bonds, Weekly Bonds, Short Term Bonds, Long Term Bonds or Fixed Bonds. Subject to the further provisions of this Section 2.03 with respect to particular Daily Rates, Two Day Rates, Weekly Rates, Short Term Rates, Long Term Rates or Fixed Rates, or Conversions between Daily Rates, Two Day Rates, or Weekly Rates or to Short Term Rates or Long Term Rates or Fixed Rates, the interest rate on Bonds during any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period shall be determined by the Remarketing Agent with respect to the Bonds of a Series as provided in this Section 2.03, and notice thereof shall be given as follows:

(A) The interest rate for the Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period in question shall be determined by the Remarketing Agent on the date or dates and at the time or times required pursuant to Sections 2.04, 2.05, 2.06, 2.07, 2.08 or 2.14, as applicable. The interest rate to be determined for the Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period or Fixed Period shall be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the Bonds in question, assuming the Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, as of the date of determination, except as otherwise provided for Long Term Rates in Section 2.08 or for Fixed Rates in Section 2.14.

(B) If the Remarketing Agent fails for any reason to determine the Daily Rate, Two Day Rate, Weekly Rate, Short Term Rate, Long Term Rate or Fixed Rate for any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period, or Fixed Period, as applicable, when required hereunder, then the interest rate on such Bonds shall be the interest rate set by the Remarketing Agent for the most recent period for which the interest rate was validly determined by the Remarketing Agent until the interest rate on such Bonds is again validly determined by the Remarketing Agent, or in the event that a court holds that the Daily Rate, Two Day Rate, Weekly Rate, Short Term Rate, Long Term Rate or Fixed Rate for any Daily Period, Two Day Period, Weekly Period, Short Term Period, Long Term Period, or Fixed Period, respectively, is invalid, illegal or unenforceable, then the interest rate on such Bonds shall be equal to (i) with respect to any Daily Period, Two Day Period, Weekly Period, Short Term Period, the lesser of the SIFMA Index or the Maximum Interest Rate, and (ii) with respect to any Long Term Period or Fixed Period, the Maximum Interest Rate, until the interest rate on such Bonds is again validly determined by the Remarketing Agent, in each case, so long as no Event of Default shall have occurred and be continuing. If there is no Remarketing Agent when a Remarketing Agent is required pursuant to this Bond Indenture, the interest rate on such Bonds shall be the Maximum Interest Rate and in each case until the interest rate on such Bonds is validly determined by a Remarketing Agent appointed pursuant to Sections 4.15 and 4.16 hereof.

(C) All Daily Bonds, Two Day Bonds, Weekly Bonds and Long Term Bonds of a Series shall bear interest accruing at the same Daily Rate, Two Day Rate, Weekly Rate or Long Term Rate, respectively.

(D) Interest on Bonds in a Fixed Period shall be determined pursuant to Section 2.14. The Fixed Period shall extend to the Maturity Date, and Bonds bearing interest at a Fixed Rate may only be converted to another Interest Rate Mode or to a new Fixed Period as permitted by Section 2.15 hereof.

(v) Flexible Rate Bonds. The Flexible Rate shall be determined in accordance with Section 2.09.

(vi) FRN Bonds. The FRN Rate shall be determined in accordance with Section 2.10. All FRN Bonds of a Series shall bear interest accruing at the same FRN Rate.

(vii) VRO Bonds. The VRO Rate shall be determined in accordance with Section 2.11. All VRO Bonds of a Series shall bear interest accruing at the same VRO Rate, except as otherwise provided in Section 2.11.

(viii) Window Bonds. The Window Rate shall be determined in accordance with Section 2.12. All Window Bonds of a Series shall bear interest accruing at the same Window Rate.

(ix) Direct Purchase Bonds. The Direct Purchase Rate shall be determined in accordance with Section 2.13. All Direct Purchase Bonds of a Series shall bear interest at the same Direct Purchase Rate.

(x) Bank Bonds. The Liquidity Facility Rate or Credit Facility Rate, as applicable, shall be determined in accordance with the applicable Liquidity Facility Agreement or Credit Facility Agreement. Interest at the Liquidity Facility Rate or Credit Facility Rate shall be paid directly to the Liquidity Facility Provider or Credit Facility Provider, as applicable, as set forth in the applicable Liquidity Facility Agreement or Credit Facility Agreement.

Section 2.04. Daily Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Daily Rate, Daily Interest Rate Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(b) Effective Period. The interest rate for each Daily Interest Rate Period shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(c) Determination Time. Each Daily Rate shall be determined by the Remarketing Agent by 10:00 a.m., New York City time, on the commencement date of the Daily Interest Rate Period to which it relates. Notice of each Daily Rate shall be given by

the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no less frequently than once each week, and on the Business Day preceding each Interest Payment Date. The Bond Trustee shall inform the Holders of each Daily Rate determined by the Remarketing Agent upon written request.

Section 2.05. Two Day Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Two Day Rate, Two Day Interest Rate Periods shall commence on the first day of a period during which the Bonds bear interest at a Two Day Rate and on each Monday, Wednesday and Friday thereafter so long as interest on the Bonds is to be payable at a Two Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day, and extend to, but not include the next day on which a Two Day Rate is required to be set in accordance with the terms of Section 2.05(c) below.

(b) Effective Period. The Two Day Rate set on any Business Day for each Two Day Interest Rate Period will be effective as of such Business Day and will remain in effect until the next day on which a Two Day Rate is required to be set in accordance with the terms of Section 2.05(c) below.

(c) Determination Time. The Remarketing Agent shall set a Two Day Rate on or before 10:00 a.m., New York City time, on the first day of a period during which the Bonds bear interest at a Two Day Rate and on each Monday, Wednesday and Friday thereafter so long as interest on the Bonds is to be payable at a Two Day Rate or, if any Monday, Wednesday or Friday is not a Business Day, on the next Monday, Wednesday or Friday that is a Business Day. Notice of each Two Day Rate shall be given by the Remarketing Agent to the Bond Trustee and the Borrower, with respect to the Bonds to which such Two Day Rate is applicable, by Electronic Notice not later than 10:30 a.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Two Day Rate determined by the Remarketing Agent upon request.

Section 2.06. Weekly Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Weekly Rate, Weekly Interest Rate Periods shall commence on and include Thursday of each week and end on and include the next succeeding Wednesday; provided, however, that (i) in the case of a Conversion to a Weekly Rate from another Interest Rate Mode, the initial Weekly Interest Rate Period for such Bonds shall commence on the Conversion Date into the Weekly Period and end on and include the next succeeding Wednesday and (ii) in the case of a Conversion from a Weekly Rate to another Interest Rate Mode, the last Weekly Interest Rate Period prior to Conversion shall end on the last day immediately preceding the applicable Conversion Date.

(b) Effective Period. The interest rate for each Weekly Interest Rate Period shall be effective from and including the commencement date of such Weekly Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Determination Time. Other than the initial Weekly Rate, each Weekly Rate shall be determined by the Remarketing Agent by 5:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Rate Period to which it relates. Notice of each Weekly Rate shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such Weekly Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Weekly Rate determined by the Remarketing Agent upon request.

Section 2.07. Short Term Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Short Term Rate, each Short Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding that Short Term Interest Rate Period which will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost during the term of such Short Term Bonds; provided that each Short Term Interest Rate Period (i) shall be from 1 to 364 days in length but, if a Credit Facility or a Liquidity Facility is in effect with respect to such Short Term Bonds, shall not exceed the number of days of interest coverage provided by such Credit Facility or such Liquidity Facility minus five days, shall not extend beyond the date that is five days before the Expiration Date of such Credit Facility or such Liquidity Facility and shall not exceed the number of days remaining prior to the Conversion Date if the Remarketing Agent has given or received notice of any Conversion to a different Interest Rate Mode, and (ii) shall commence on a Business Day (except that in the case of a Conversion to a Short Term Mode, the initial Short Term Rate shall commence on the Conversion Date), and (iii) shall end on a day preceding a Business Day or the day preceding the Maturity Date for such Bonds. The Remarketing Agent may, in the reasonable exercise of its judgment, determine one or more Short Term Periods that result in a Short Term Rate or Short Term Rates on Bonds that are higher than would be borne by such Bonds with a shorter Short Term Interest Rate Period in order to increase the likelihood of achieving the lowest net interest cost during the term of such Short Term Bonds by providing for a longer Short Term Interest Rate Period. The determination of each Short Term Interest Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Short Term Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Short Term Bonds, or any fact or circumstance relating to the Short Term Bonds or affecting the market for the Short Term Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Short Term Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Borrower, but the Remarketing Agent's

determination of the Short Term Interest Rate Periods will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(b) Effective Period. The interest rate for each Short Term Interest Rate Period shall be effective from and including the commencement date of that Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Short Term Interest Rate Periods. Short Term Bonds may bear interest for different Short Term Interest Rate Periods and at different Short Term Rates; provided that all Short Term Bonds with the same Short Term Interest Rate Period shall bear interest at the same Short Term Rate.

(d) Determination Time. During each Short Term Period, each Short Term Rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement of the Short Term Interest Rate Period to which it relates. Notice of each Short Term Rate and of each Short Term Interest Rate Period shall be given by the Remarketing Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such Short Term Rate or Short Term Interest Rate Period is applicable, by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Short Term Rate and each Short Term Interest Rate Period determined by the Remarketing Agent upon request.

Section 2.08. Long Term Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Long Term Rate, Long Term Interest Rate Periods shall commence on a Long Term Rate Conversion Date or, thereafter, the effective date of a subsequent Long Term Interest Rate Period, and end on a day which is at least 12 months after such Long Term Rate Conversion Date which is the day preceding (i) the effective date of a subsequent Long Term Interest Rate Period, (ii) the Conversion Date on which a different Interest Rate Mode shall become effective or (iii) the Maturity Date for such Bonds; provided that if a Credit Facility or a Liquidity Facility is in effect with respect to such Bonds, each Long Term Interest Rate Period shall not extend to a date beyond the fifth day next preceding the Expiration Date of such Credit Facility or Liquidity Facility.

(b) Effective Period. The interest rate for each Long Term Interest Rate Period shall be effective from and including the commencement of that Long Term Interest Rate Period and shall remain in effect through and including the last day thereof.

(c) Determination Time. Each Long Term Rate and the term of each Long Term Interest Rate Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or prior to the Business Day immediately preceding the commencement of the Long Term Interest Rate Period to which it relates.

(d) Remarketing. The Long Term Rate for each Long Term Interest Rate Period for the Bonds shall be the rate of interest per annum borne by the Bonds which shall

be the lowest rate of interest that, in the reasonable judgment of the Remarketing Agent, would permit the Bonds in question, assuming the Bonds were all available for sale to investors, to have a purchase price equal to the principal amount thereof under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds, as of the date of determination. Notwithstanding the foregoing, the Long Term Rate for a Long Term Interest Rate Period may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such Bonds, after taking into account any premium or discount at which such Bonds are sold by the Remarketing Agent, provided that in connection with selling such Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Bond Trustee and the Borrower that the sale of the Bonds at the Long Term Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds based on the prevailing market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the reasonable judgment of the Remarketing Agent, are otherwise comparable to the Bonds on the commencement date of the Long Term Interest Rate Period;

(ii) The Borrower consents in writing to the sale of the Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of Bonds to be sold at a discount, either (a) a Credit Facility or a Liquidity Facility is in effect with respect to the Bonds and provides for the purchase of such Bonds from the tendering Holders at par or (b) the Borrower agrees to transfer to the Bond Trustee on the commencement date of such Long Term Interest Rate Period, in immediately available funds, for deposit in the Borrower Purchase Account, an amount equal to such discount; and

(iv) In the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with any direction included in the Favorable Opinion of Bond Counsel delivered pursuant to subsection (v) below or, if no such direction is included and no other instructions are received by the Remarketing Agent from Bond Counsel related to the use of such premium, then to the Bond Trustee for deposit in the Revenue Fund.

Section 2.09. Flexible Rates.

(a) A Flexible Rate Period for the Bonds in the Flexible Mode shall be of a duration from one to 270 calendar days, ending on a day preceding a Business Day or the Maturity Date, as the Remarketing Agent shall determine in accordance with the provisions of this Section; provided, however, that no Flexible Rate Period set after delivery by the Borrower of the notice of the intention to effect a Conversion pursuant to Section 2.15 hereof that has been received by the Remarketing Agent shall extend beyond the

Mandatory Purchase Date of the Bonds subject to such Conversion. A Flexible Rate Bond can have a Flexible Rate Period and bear interest at a Flexible Rate, different than another Flexible Rate Bond. The determination of each Flexible Rate Period by the Remarketing Agent shall be based upon the relative market yields of the Flexible Rate Bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent, are otherwise comparable to the Flexible Rate Bonds, or any fact or circumstance relating to the Flexible Rate Bonds or affecting the market for the Flexible Rate Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, may affect the market for the Flexible Rate Bonds. The Remarketing Agent, in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Borrowers, but the Remarketing Agent's determination of the Flexible Rate Periods will be based solely upon the reasonable exercise of such Remarketing Agent's judgment.

(b) By 1:00 p.m., New York City time, on each Flexible Rate Determination Date, the Remarketing Agent, with respect to each Bond in the Flexible Mode which is subject to adjustment on such date, shall determine the Flexible Rate Period then selected for such Bond as described above and shall give notice by Electronic Means to the Bond Trustee and the Borrower, of the Flexible Rate Period, the Mandatory Purchase Date and the Flexible Rate for such Bond. The Remarketing Agent shall make the Flexible Rate and Flexible Rate Period available after 2:00 p.m., New York City time, on each Flexible Rate Determination Date by telephone or Electronic Means to any Beneficial Owner requesting such information.

Section 2.10. FRN Rates.

(a) Interest Rate Period. Whenever Bonds are continuing in an FRN Mode or in the case of a Conversion to the FRN Mode from another Interest Rate Mode, the initial FRN Interest Rate Period for such FRN Bonds shall commence on the FRN Rate Conversion Date and end on the last day of such FRN Interest Rate Period, which shall be the day immediately preceding the next FRN Rate Adjustment Date. At least one Business Day prior to the FRN Rate Conversion Date, the Borrower, in consultation with the Remarketing Agent, shall determine the FRN Index, the FRN Index Percentage, the FRN Rate Adjustment Date, the length of the FRN Interest Rate Period that begins on such FRN Rate Conversion Date, the dates during which such FRN Bonds may be called for optional redemption if different than as prescribed in Section 4.01(e) and the FRN Rate Determination Date for such FRN Interest Rate Period and shall give Electronic Notice of such to the Bond Trustee and the Borrower. The FRN Spread shall be determined by the Remarketing Agent in conjunction with the Borrower and shall be the spread which, when added to or subtracted from the product of the FRN Index multiplied by the FRN Index Percentage, will result in the minimum FRN Spread which, in the judgment of the Remarketing Agent under prevailing market conditions for corporate securities in the judgment of the Remarketing Agent, will result in the remarketing of such FRN Bonds in the new FRN Interest Rate Period at a purchase price equal to their principal amount.

(b) Calculation of FRN Rate. Each FRN Rate shall be determined by the Calculation Agent from information provided by the Remarketing Agent by 5:00 p.m., New York City time, on the FRN Rate Determination Date to which it relates. Notice of each FRN Rate shall be given by the Calculation Agent to the Bond Trustee, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the Bonds to which such interest FRN Rate is applicable by Electronic Notice not later than 6:00 p.m., New York City time, on such FRN Rate Determination Date. The Bond Trustee shall inform the Holders of FRN Bonds of each FRN Rate upon request.

(c) FRN Bonds Election. In the case of a Conversion to an FRN Rate from another Interest Rate Mode or the continuation of Bonds as FRN Bonds in a new FRN Interest Rate Period, the Borrower shall, prior to such FRN Rate Conversion Date or continuation, elect by Electronic Notice to the Bond Trustee, the Remarketing Agent and the Authority that such FRN Bonds be either FRN Rate Hard Put Bonds or FRN Rate Soft Put Bonds, and the related FRN Rate Mandatory Purchase Date with respect to such election.

Section 2.11. VRO Rates.

(a) Determination of Interest Rates During VRO Interest Rate Period.

(i) During each VRO Interest Rate Period, the Bonds shall bear interest at VRO Rates, which shall be determined by the applicable Remarketing Agent on each Business Day during the VRO Interest Rate Period by 6:00 p.m., New York City time for applicability on the following Business Day.

(ii) Each VRO Rate for any day shall be the rate of interest per annum determined by the applicable Remarketing Agent on or before 6:00 p.m., New York City time, on the previous Business Day to be the minimum interest rate which, if borne by Bonds, would enable the applicable Remarketing Agent (assuming all such Bonds were then available for sale and based on an examination of taxable obligations comparable, in the judgment of the Remarketing Agent, to such series of Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to sell all of such Bonds on such Business Day at a price (without regard to accrued interest) equal to the principal amount thereof; provided that the VRO Rate shall not exceed the Maximum Interest Rate. In determining the VRO Rate, the Remarketing Agent shall consider (but not be limited to considering) the following factors in determining prevailing market conditions: existing short term taxable market rates for securities, indices of such short term rates and the existing market supply and demand for securities bearing such short term rates, existing yield curves for short term and long term securities for securities of issuers of credit quality comparable to the Bonds bearing interest at the VRO Rate, general economic conditions, industry economic and financial condition as the Remarketing Agent, in its sole discretion, shall determine to be relevant. The VRO Rate for any day which is not a Business Day shall be the same as the VRO Rate for the immediately preceding Business Day. The determination

of the VRO Rate by the Remarketing Agent shall be conclusive and binding on the Authority, the Borrower, the Bond Trustee and the Bondholders.

(iii) All of the Bonds in the VRO Interest Rate Period shall at all times bear the same rate of interest.

(iv) If for any reason a VRO Rate is not so established on any Business Day by the applicable Remarketing Agent, the VRO Rate for such Business Day to but excluding the next Business Day shall be the same as the VRO Rate for the immediately preceding Business Day, and such rate shall continue until the earlier of (A) the date on which such Remarketing Agent determines a new VRO Rate for such Bonds or (B) the fifth consecutive Business Day succeeding the first such Business Day on which such VRO Rate is not determined by such Remarketing Agent. In the event that a VRO Rate shall be held to be invalid or unenforceable by a court of law, or the applicable Remarketing Agent fails to determine a new VRO Rate for a period of five consecutive Business Days succeeding such Business Day as described in clause (B) of the immediately preceding sentence, all such Bonds shall bear interest at the VRO Step Up Rate from the applicable Business Day until the Business Day following the date on which a new VRO Rate is established by the Remarketing Agent that is, in any case, valid and enforceable under applicable law.

(b) Optional Tender during VRO Interest Rate Period; Remarketing.

(i) During any VRO Interest Rate Period, the Holder of a Bond (or, if the book-entry only system described in Section 2.21 is in effect, the participant to whose account such a Bond is credited) may, at its option, tender such Bond or any portion thereof in an Authorized Denomination (provided that the amount of any such Bond not to be purchased shall also be in an Authorized Denomination) for purchase by delivering an irrevocable written notice (a "VRO Interest Rate Period Tender Notice") to the Bond Trustee and the Remarketing Agent on any Business Day prior to 5:00 p.m., New York City time (the "VRO Interest Rate Period Tender Notice Date"). A VRO Interest Rate Period Tender Notice shall state the principal amount of such Bonds to be purchased (the "VRO Interest Rate Period Designated Amount"). The giving of a VRO Interest Rate Period Tender Notice by a Bondholder or Participant with respect to a Bond shall constitute an irrevocable tender for purchase of the VRO Interest Rate Period Designated Amount of such Bonds effective on the fifth Business Day following the VRO Interest Rate Period Tender Notice Date (the "VRO Interest Rate Period Purchase Date"); provided, however, that if a VRO Interest Rate Period Tender Notice is not received by the Remarketing Agent prior to 5:00 p.m., New York City time, on any Business Day, the VRO Interest Rate Period Tender Notice Date will be deemed to be the next succeeding Business Day.

(ii) Upon receipt of a VRO Interest Rate Period Tender Notice, the Remarketing Agent shall offer for sale, and use its best efforts to sell, the VRO Interest Rate Period Designated Amount of Bonds in the VRO Rate with respect

which a VRO Interest Rate Period Tender Notice has been received by the Remarketing Agent ("VRO Interest Rate Period Tendered Bonds") at a price equal to par plus unpaid interest accrued until but excluding the VRO Interest Rate Period Purchase Date (the "VRO Interest Rate Period Purchase Price") for purchase on the VRO Interest Rate Period Purchase Date.

(iii) If multiple Holders of Bonds deliver VRO Interest Rate Period Tender Notices on different VRO Interest Rate Period Tender Notice Dates, there will be multiple VRO Interest Rate Period Purchase Dates and the Remarketing Agent shall first attempt to remarket VRO Interest Rate Period Tendered Bonds having the earliest VRO Interest Rate Period Purchase Date.

(iv) If the Remarketing Agent successfully remarkets the VRO Interest Rate Period Tendered Bonds by identifying a purchaser for such VRO Interest Rate Period Tendered Bonds during the period beginning on the VRO Interest Rate Period Notice Date for such VRO Interest Rate Period Tendered Bonds and ending on the Business Day immediately preceding the VRO Interest Rate Period Purchase Date for such VRO Interest Rate Period Tendered Bonds (a "VRO Interest Rate Period Remarketing Window"), the Remarketing Agent shall give notice (a "VRO Interest Rate Period Remarketing Notice") to Holders of such VRO Interest Rate Period Tendered Bonds that a purchaser has been identified for a purchase of such VRO Interest Rate Period Tendered Bonds on the VRO Interest Rate Period Purchase Date.

(v) For payment of the VRO Interest Rate Period Purchase Price on the VRO Interest Rate Period Purchase Date, VRO Interest Rate Period Tendered Bonds which have been successfully remarketed must be delivered at or prior to 11:00 a.m., New York City time, on the VRO Interest Rate Period Purchase Date to the Remarketing Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent. If VRO Interest Rate Period Tendered Bonds are delivered after that time, the VRO Interest Rate Period Purchase Price will be paid on the Business Day immediately following such delivery.

(c) VRO Interest Rate Period Failed Remarketing Event.

(i) If, for any reason, any VRO Interest Rate Period Tendered Bonds are not successfully remarketed during a VRO Interest Rate Period Remarketing Window (a "VRO Interest Rate Period Failed Remarketing Event"), all VRO Interest Rate Period Tendered Bonds shall continue to be owned by their respective Holders and no VRO Interest Rate Period Tendered Bonds shall be tendered or purchased on their respective VRO Interest Rate Period Purchase Dates and such failure shall not constitute an Event of Default. Upon the occurrence of a VRO Interest Rate Period Failed Remarketing Event, (A) the Remarketing Agent shall notify the Bond Trustee and the Borrower, (B) all Bonds in the VRO Interest Rate Period shall become subject to mandatory redemption on the VRO Interest Rate Period Special Mandatory Redemption Date, (C) the Remarketing Agent will no

longer determine the VRO Rate on a daily basis, and (D) all Bonds in the VRO Interest Rate Period shall bear interest at the VRO Step Up Rate until the earliest to occur of (1) the VRO Interest Rate Period Special Mandatory Redemption Date, (2) the optional redemption, at the direction of the Borrower, of all the Bonds in the VRO Interest Rate Period, (3) the date on which all of the Bonds in the VRO Interest Rate Period are successfully remarketed, (4) the redemption of each Bond in the VRO Interest Rate Period, and (5) the date on which a Conversion of the Bonds from the VRO Mode to a different Interest Rate Mode shall occur.

(ii) Following the occurrence of a VRO Interest Rate Period Failed Remarketing Event, the Remarketing Agent shall offer for sale, and use its best efforts to sell, all Bonds in the VRO Interest Rate Period at a price equal to par plus unpaid interest accrued to but excluding the expected VRO Interest Rate Period Remarketing Date (as defined below) (such price, the “VRO Interest Rate Period Remarketing Date Purchase Price”). Upon identifying a purchaser or purchasers for all (but not less than all) of the Bonds (but subject to the immediately following paragraph), the Remarketing Agent shall give a VRO Interest Rate Period Remarketing Notice to the Bond Trustee, the Authority, the Borrower and all Holders of Bonds that a purchaser or purchasers have been identified for the purchase of the Bonds on the date set forth in such VRO Interest Rate Period Remarketing Notice (the “VRO Interest Rate Period Remarketing Date”), which VRO Interest Rate Period Remarketing Date shall be the fifth Business Day following the date of delivery of the VRO Interest Rate Period Remarketing Notice, and all Bonds shall be subject to mandatory tender for purchase at the VRO Interest Rate Period Remarketing Date Purchase Price. Upon receipt, the Bond Trustee shall file or cause to be filed such VRO Interest Rate Period Remarketing Notice with EMMA and DTC.

(iii) For payment of the VRO Interest Rate Period Remarketing Date Purchase Price on the VRO Interest Rate Period Remarketing Date, Holders of all Bonds in the VRO Interest Rate Period must deliver Bonds at or prior to 11:00 a.m., New York City time, on the VRO Interest Rate Period Remarketing Date to the Remarketing Agent at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Remarketing Agent, executed in blank by the Holder thereof or by the Holder’s duly authorized attorney, with such signature guaranteed by a member of the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Remarketing Agent. If VRO Interest Rate Period Tendered Bonds are delivered after that time, the VRO Interest Rate Period Remarketing Date Purchase Price will be paid on the immediately following Business Day.

(iv) On the Business Day following the VRO Interest Rate Period Remarketing Date, the Remarketing Agent shall resume resetting the interest rate on such Bonds pursuant to the provisions set forth in the Bonds as described in Section 2.11(a) and the Bonds will no longer be subject to mandatory redemption on the VRO Interest Rate Period Special Mandatory Redemption Date.

Section 2.12. Window Rates.

(a) Interest Rate Period. Whenever Bonds are to bear interest accruing at a Window Rate, each Window Rate shall be in effect for each Window Interest Rate Period, which shall commence on and include Thursday and end on and include the next succeeding Wednesday, unless such Window Interest Rate Period ends on a day other than Wednesday, in which event the last Window Rate for such Window Interest Rate Period will apply to the Window Interest Rate Period commencing on and including the Thursday preceding the last day of such Window Interest Rate Period and ending on and including the last day of such Window Interest Rate Period; provided, however, that in the case of a Conversion to a Window Mode from another Interest Rate Mode, the initial Window Interest Rate Period for the Bonds shall commence on the such Conversion Date.

(b) Calculation of Window Rate. Each Window Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on the applicable Window Rate Determination Date, which Window Rate shall be equal to the SIFMA Index on such Window Rate Determination Date plus the Window Rate Spread. The Calculation Agent shall furnish each Window Rate so determined to the Bond Trustee, the Remarketing Agent, the Borrower, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice no later than the Business Day next succeeding the date of determination.

The sum of the SIFMA Index plus the Initial Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of taxable obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such Bonds on the applicable Conversion Date at a price equal to the principal amount thereof. During a Window Period with respect to the Bonds, the Remarketing Agent may (i) with the consent of the Borrower, increase the Window Rate Spread with respect to such Bonds effective as of any Window Rate Optional Purchase Date, any Borrower Elective Purchase Date or any Window Rate Mandatory Purchase Date, or (ii) reduce the Window Rate Spread effective as of any Borrower Elective Purchase Date or any Window Rate Mandatory Purchase Date. The sum of the SIFMA Index plus the revised Window Rate Spread shall be equal to the rate of interest per annum determined by the Remarketing Agent (based on an examination of taxable obligations comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to have been priced or traded under then prevailing market conditions) to be the minimum interest rate which, if borne by the Window Bonds, would enable the Remarketing Agent to sell all of such Bonds on the effective date of the revised Window Rate Spread at a price equal to the principal amount thereof. A revised Window Rate Spread shall apply to all Bonds bearing interest at a Window Rate as of the effective date of the revised Window Rate Spread.

The Remarketing Agent shall give Electronic Notice of the revised Window Rate Spread to the Bond Trustee not later than the second Business Day after the effective date of such revised Window Rate Spread. The Bond Trustee shall give notice of such revised Window Rate Spread by Electronic Notice, confirmed by first class mail, to the Holders, with a copy to the Borrower,

the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Spread from the Remarketing Agent. If a court holds that the Window Rate set for any Window Interest Rate Period is invalid, illegal or unenforceable or if the SIFMA Index is not available for any week, the Window Rate for such Window Interest Rate Period shall be determined by the Remarketing Agent and shall be equal to a rate per annum equal to 85% of the interest rate on 30 day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal on such Window Rate Determination Date, plus the Window Rate Spread. The SIFMA Index shall be used in the calculation of the Window Rate Spread whenever the SIFMA Index is available.

Section 2.13. Direct Purchase Rates.

(a) Determination of Direct Purchase Rates. For any Direct Purchase Period, interest on the Bonds shall be payable on each Interest Payment Date for each applicable Interest Accrual Period commencing on the Interest Accrual Date preceding such Interest Payment Date. For any Direct Purchase Period, the Direct Purchase Rate shall be determined by utilizing the Applicable Spread, the Applicable Factor, if applicable, and the Direct Purchase Index for such Direct Purchase Period, all in a manner determined by the Direct Purchaser or the Market Agent prior to the Conversion to any Direct Purchase Period or as otherwise set forth in a Supplemental Bond Indenture or in the applicable Bondholder Agreement (the Direct Purchase Rate, unless otherwise established in a Supplemental Bond Indenture or in a Bondholder Agreement, to be the sum of (i) the Applicable Factor, if applicable, multiplied by the Direct Purchase Index plus (ii) the Applicable Spread, per annum). If required by a Supplemental Bond Indenture or in a Bondholder Agreement, during an Event of Default the Bonds in a Direct Purchase Period shall bear interest at the Default Rate all as further described in a Supplemental Bond Indenture or the applicable Bondholder Agreement. For Direct Purchase Bonds bearing interest at a Direct Purchase Index Rate, the Calculation Agent shall determine the Direct Purchase Rate on each Direct Purchase Rate Determination Date to become effective on the immediately succeeding Index Reset Date during the Direct Purchase Period, and interest shall accrue at such rate for each day during the Interest Accrual Period commencing on the Index Reset Date. The Direct Purchase Index Rate shall be rounded, if necessary, to the fifth decimal place. For each Direct Purchase Period, prior to the commencement of such Direct Purchase Period, the Direct Purchaser or the Market Agent shall also determine the Direct Purchase Period, the Interest Accrual Period, the Direct Purchase Rate Mandatory Purchase Date, the Direct Purchase Period Earliest Redemption Date (if applicable), the Term Out Period (if applicable), and the Term Out Rate (if applicable). During each Direct Purchase Period, the Direct Purchase Bonds shall be subject to optional redemption as provided in Section 4.01(h) hereof.

(b) Conversion to Direct Purchase Period. Subject to Section 2.15, at any time, the Borrower, by Electronic Notice to the Bond Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, and the Remarketing Agent, may direct that all, but not less than all, Bonds shall be converted to bear interest at a Direct Purchase Rate. Such direction of the Borrower shall specify the proposed Conversion Date, which shall be (1) a Business Day not earlier than the twentieth (20th) day following receipt by the Bond

Trustee of such direction, (2) in the case of a Conversion from a Long Term Period, the Business Day immediately following the last day of the then current Long Term Period, and (3) in the case of a Conversion from a Fixed Period, only on any date during the period such Fixed Bonds are subject to optional redemption pursuant to Section 4.01(g) hereof. In addition, with respect to the Series 2024C Bonds, such direction shall be accompanied by a letter of Bond Counsel that it expects to be able to render a Favorable Opinion of Bond Counsel on the proposed Conversion Date. In addition, such direction shall specify the duration of the Direct Purchase Period immediately following the proposed Conversion Date.

(c) Notice of Conversion to Direct Purchase Mode. The Bond Trustee shall give notice of a Conversion to a Direct Purchase Mode to the Holders of the Bonds in accordance with Section 2.15(f)(iii) hereof.

(d) Direct Purchase Bonds; Bond Indenture Provisions. The following shall apply during each Direct Purchase Period:

(i) The Direct Purchase Bonds shall be in Authorized Denominations.

(ii) In a Direct Purchase Period, if directed by the Direct Purchaser, the Direct Purchase Bonds shall be registered in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one Bond certificate for each interest rate and Maturity Date; provided that failure of the Direct Purchaser to provide such notice shall not affect the obligations of the Borrower to pay such amounts pursuant to the terms of this Bond Indenture and the Loan Agreement.

(iii) Unless otherwise directed by the Direct Purchaser, the Borrower shall cause physical delivery of the Direct Purchase Bonds to the Direct Purchaser. If applicable, each Bond bearing interest at the Direct Purchase Rate shall contain a legend indicating that the transferability of such Bond is subject to the restrictions set forth in this Bond Indenture.

(iv) No modifications or amendments to, or waivers of, the terms of the Direct Purchase Bonds, this Bond Indenture, the Bondholder Agreement, or any related documents, by the Direct Purchaser shall be made or granted without the receipt by the Authority, the Bond Trustee and the Borrower of a Favorable Opinion of Bond Counsel.

(v) As provided in Section 7.14 hereof, and subject to the provisions of the Master Indenture, during any period when the Direct Purchase Bonds are in the Direct Purchase Mode, the Direct Purchaser, as the sole Holder of such Direct Purchase Bonds, shall have the right to enforce the rights and remedies provided to the Bond Trustee hereunder and to control all proceedings relating to the exercise of such rights and remedies in its own name and not subject to the restrictions contained herein.

Section 2.14. Fixed Rates.

(a) Interest Rate Period.

(i) During the Initial Fixed Period with respect to the Bonds, the Bonds shall contain substantially the terms recited in the form of Bond attached hereto as Exhibit A and in Exhibit B attached hereto.

(ii) During each subsequent Fixed Period, the Bonds shall bear interest at the Fixed Rate. Whenever Bonds are to bear interest accruing at a Fixed Rate, the Fixed Rate shall commence on the Issuance Date with respect to such Bonds, or a Fixed Rate Conversion Date, as the case may be, and any Fixed Period shall extend to the Maturity Date of such Bonds subject to the ability of the Borrower to designate a Conversion Date for such Fixed Bonds pursuant to the provisions of Section 2.15.

(b) Determination Time. Interest on the Bonds in a Fixed Period other than the Initial Fixed Period shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on or before the Business Day immediately preceding the Fixed Rate Conversion Date. Notice of each Fixed Rate shall be given by the Remarketing Agent to the Bond Trustee and the Borrower by Electronic Notice not later than 5:00 p.m., New York City time, on the date of determination. The Bond Trustee shall inform the Holders of each Fixed Rate determined by the Remarketing Agent upon request of any such Holder.

(c) Remarketing. The Fixed Rate for the Bonds in a Fixed Period other than the Initial Fixed Period shall be the rate or rates of interest per annum borne by the Bonds which shall be the lowest rate or rates of interest that, in the judgment of the Remarketing Agent, would cause such Bonds to have a purchase price equal to the principal amount thereof plus accrued interest, if any, under prevailing market conditions and based on the market for and the relative yields of the Bonds and other securities that bear interest at a fixed rate, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds as of the date of determination. Notwithstanding the foregoing, the Fixed Rate may be the rate of interest per annum determined by the Remarketing Agent to be the interest rate which, if borne by the Bonds, would enable the Remarketing Agent to sell such Bonds on the date and at the time of such determination at a price which will result in the lowest net interest cost for such Bonds, after taking into account any premium or discount at which such Bonds are sold by the Remarketing Agent; provided that in connection with selling such Bonds at a premium or discount:

(i) The Remarketing Agent certifies to the Authority, the Bond Trustee and the Borrower that the sale of the Bonds at the Fixed Rate and premium or discount specified by the Remarketing Agent is expected to result in the lowest net interest cost for such Bonds based on the market for and the relative yields of the Bonds and other securities that bear interest at interest rates, that, in the reasonable judgment of the Remarketing Agent, are otherwise comparable to the Bonds based on prevailing market conditions on the commencement date of the Fixed Period;

(ii) The Borrower consents in writing to the sale of the Bonds by the Remarketing Agent at such premium or discount;

(iii) In the case of Bonds to be sold at a discount, either (A) a Credit Facility or a Liquidity Facility is in effect with respect to the Bonds at the time of the Fixed Rate Conversion Date and provides for the purchase of such Bonds from the tendering Holders at par or (B) if no Credit Facility or Liquidity Facility is in effect with respect to the Bonds at the time of the Fixed Rate Conversion Date, the Borrower agrees to transfer to the Bond Trustee on the Fixed Rate Conversion Date, in immediately available funds, for deposit in the Borrower Purchase Account, an amount equal to such discount; and

(iv) In the case of Bonds to be sold at a premium, the Remarketing Agent shall transfer remarketing proceeds equal to such premium in accordance with any direction included in the Favorable Opinion of Bond Counsel delivered pursuant to subsection (v) below or, if no such direction is included and no other instructions are received by the Remarketing Agent from Bond Counsel related to the use of such premium, then to the Bond Trustee for deposit in the Revenue Fund.

Section 2.15. Conversions.

(a) In the event that the Borrower shall elect to effect a Conversion of the Bonds (or a portion of the Bonds), then the written Conversion direction furnished by the Borrower shall be made by Electronic Notice. Notwithstanding anything in this Bond Indenture to the contrary, any such Conversion may be with respect to all or a portion of the Bonds. Any Bonds to be converted in part shall be selected randomly, and the portion of the Bonds to be converted shall be re-designated as a new Series to distinguish such portion from the portion of Bonds not to be converted. All references herein to any Conversion of Bonds shall refer to the portion of Bonds that is subject to Conversion in the event that less than all of such Bonds are subject to Conversion. The following shall constitute a Conversion for purposes of this Section 2.15: (i) a conversion from any Direct Purchase Interest Rate Period to the next Direct Purchase Interest Rate Period; (ii) a conversion of FRN Bonds into a new FRN Interest Rate Period; (iii) a conversion from one Fixed Period to a new Fixed Period; (iv) a conversion from any Short Term Interest Rate Period to a new Short Term Interest Rate Period; (v) a conversion from any Long Term Interest Rate Period to a new Long Term Interest Rate Period; (vi) a conversion from one Flexible Rate Period to a new Flexible Rate Period; and (vii) a conversion from any Interest Rate Mode to a different Interest Rate Mode.

(b) Notwithstanding anything in this Article II, in connection with any proposed Conversion of Bonds (or a portion of the Bonds, as applicable) on a Purchase Date that is not otherwise a Mandatory Purchase Date, the Borrower shall have the right to deliver to the Bond Trustee, the Authority, the Remarketing Agent, if any, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, on or prior to 10:00 a.m., New York City time, on the effective date of any such Conversion, a notice to the effect that the Borrower elects to rescind its election to implement any such Conversion. If the Borrower rescinds its election to implement any such Conversion, then such Conversion

shall not occur, the mandatory tender shall not occur (unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (viii), (ix) and (x) hereof), and, except as otherwise provided herein, the Bonds shall continue to bear interest in the current Interest Rate Mode and the current interest rate in effect immediately prior to such proposed Conversion Date.

(c) No Conversion shall take effect under this Bond Indenture unless each of the following conditions and the conditions set forth in paragraph (f) of this Section 2.15, to the extent applicable, shall have been satisfied.

(i) In the case of any Conversion with respect to which there shall be no Liquidity Facility or Credit Facility in effect to provide funds for the purchase of Bonds to be converted on the Conversion Date, the remarketing proceeds and funds in the Borrower Purchase Account and available on the Conversion Date shall not be less than the amount required to purchase all of the Bonds to be converted at the applicable Purchase Price.

(ii) In the case of any Conversion of Bonds to any Interest Rate Mode (except a Direct Purchase Period), prior to the Conversion Date the Borrower shall have appointed a Remarketing Agent and there shall have been executed and delivered a Remarketing Agreement.

(iii) If such Conversion is with respect to less than all of the Bonds, the Bonds shall be designated as separate sub-Series as provided in Section 2.01 hereof.

(d) If, on a Conversion Date, any condition precedent to a proposed Conversion shall not have been satisfied, then such Conversion shall not occur and the Bonds or portion thereof to have been converted shall continue to bear interest in the current Interest Rate Mode and at the current interest rate as in effect immediately prior to such proposed Conversion Date, and the Bonds or portion thereof, subject to and unless otherwise provided in Section 4.18 hereof, shall not be subject to mandatory tender for purchase on the proposed Conversion Date, unless such proposed Conversion Date is also a Mandatory Purchase Date pursuant to Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) and (x) hereof.

(e) Notwithstanding anything in this Article II to the contrary, in connection with any Conversion that would require the mandatory tender for purchase of Bonds at a Purchase Price greater than the principal amount thereof, the Borrower, as a condition to implementing such Conversion, shall deliver to the Bond Trustee on or prior to the Conversion Date, immediately available funds for the purpose of paying such premium; provided however, if a Liquidity Facility or Credit Facility is then in effect with respect to such Bonds either (A) such Liquidity Facility or Credit Facility must provide for the payment of such premium on such Conversion Date, or (B) such premium shall be paid with Eligible Moneys on such Conversion Date.

(f) The Bonds may be converted in whole or in part in Authorized Denominations and in a minimum principal amount of \$5,000,000. Any Bonds subject to

such Conversion may be assigned a new CUSIP number and shall be designated or numbered to distinguish each sub-Series of Bonds from another sub-Series. Bonds may be converted as follows:

(i) Conversion Date. Subject to the following provisions of this paragraph, all Conversion Dates shall occur on any date on which such Bonds are subject to optional redemption pursuant to Section 4.01(b), (c), (d), (f) or (g), as applicable; provided, however, that (A) for a Conversion of Long Term Bonds, such Conversion shall only occur on a Long Term Rate Mandatory Purchase Date on which such Long Term Bonds are subject to purchase pursuant to Section 4.07(a)(iii) or on any date when the Long Term Bonds are subject to optional redemption pursuant to Section 4.01(g) hereof, (B) for a Conversion of FRN Bonds such Conversion shall only occur on an FRN Rate Mandatory Purchase Date on which such FRN Bonds are subject to purchase pursuant to Section 4.07(a)(v) hereof or any date such FRN Bonds are subject to optional redemption pursuant to Section 4.01(e), and (C) for a Conversion of Direct Purchase Bonds, such Conversion shall only occur on a Direct Purchase Rate Mandatory Purchase Date pursuant to Section 4.07(a)(ix) or on any other date specified in a Supplemental Bond Indenture or in a Bondholder Agreement. Interest shall accrue on such Bonds at the new interest rate commencing on such Conversion Date, whether or not a Business Day. Any action required to be taken on such Conversion Date, if such day is not a Business Day, may be taken on the next succeeding Business Day as if it had occurred on such Conversion Date.

(ii) Notice of Intent to Convert. The Borrower shall give written notice of its intent to exercise its option to implement any such Conversion to the Authority, the Remarketing Agent, the Bond Trustee, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to the affected Bonds by Electronic Notice not fewer than five days (or such shorter period as shall be acceptable to the applicable parties) prior to the date on which the Bond Trustee is required to provide notice of Conversion to the Holders. The Borrower shall give written notice of its intent to exercise its option to implement any such Conversion to the Direct Purchaser, if any, with respect to the affected Bonds by Electronic Means not fewer than the number of days set forth in the applicable Supplemental Indenture or Bondholder Agreement. Such notice shall specify the proposed Conversion Date (as well as the sub-Series of Bonds to which the Conversion will be applicable).

(iii) Notice of Conversion and Mandatory Tender. Not fewer than (A) twenty (20) days prior to the proposed Conversion Date, for any Conversion of Fixed Bonds; and (B) fifteen (15) days prior to the proposed Conversion Date, for any Conversion of any other Bonds, the Bond Trustee shall give Electronic Notice, confirmed by first class mail, of the Conversion and, if applicable, of the mandatory tender of such Bonds to the Holders of such Bonds at their addresses as they appear on the Registration Books as of the date Electronic Notice of the election is received by the Bond Trustee from the Borrower.

(iv) Favorable Opinion of Bond Counsel. Any Conversion of the Series 2024C Bonds pursuant to this Section 2.15 shall be subject to the conditions that, on or before the Conversion Date, the Borrower shall have delivered to the Authority, the Bond Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, a Favorable Opinion of Bond Counsel.

(v) Conditions to Conversion. Notwithstanding the Borrower's delivery of notice of the exercise of its option to effect a Conversion, such Conversion shall not take effect if:

(A) the Borrower withdraws such notice of the exercise of its option to effect Conversion not later than the date as provided by Section 2.15(b) or the date on which the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable, is to be determined, if permitted by Section 2.15(b);

(B) the Remarketing Agent fails to determine, when required, the interest rate for the new Interest Rate Mode or Interest Rate Period, as applicable;

(C) the notice to Holders of Bonds of the Conversion is not given when required;

(D) the Borrower fails to deliver to the Authority, the Bond Trustee and the Remarketing Agent the Favorable Opinion of Bond Counsel referred to above; or

(E) sufficient funds are not available by 2:00 p.m., New York City time, on the Conversion Date to purchase all of the Bonds required to be purchased on such Conversion Date.

(vi) Serialization Upon Fixed Rate Conversion. On and after the Fixed Rate Conversion Date, Bonds converted to the Fixed Rate Mode or for a subsequent Fixed Period shall mature on the same Maturity Date(s) and be subject to the same mandatory sinking fund redemption, if any, as set forth in this Bond Indenture for the prior Interest Rate Mode or Fixed Period, as applicable, unless on the date the Remarketing Agent determines the Fixed Rate, the Remarketing Agent also determines, in its judgment, that such Bonds would bear a lower effective net interest cost based on the market for and the relative yields of the Bonds and other securities that bear interest at a fixed rate, that, in the judgment of the Remarketing Agent, are otherwise comparable to the Bonds if such Bonds were serial bonds, term bonds or a combination of serial bonds and term bonds with the Maturity Dates (or Sinking Fund Installments) and principal amounts that match the Maturity Dates (or Sinking Fund Installments) in effect prior to such Fixed Rate Conversion Date, in which event such Bonds shall become serial bonds, term bonds, or a combination of serial bonds and term bonds with such Maturity Dates (or Sinking Fund Installments) and principal amounts consistent with such determination and shall bear separate Fixed Rates for each Maturity Date. Notwithstanding the foregoing,

the Borrower may deliver to the Bond Trustee a schedule of revised Maturity Dates and maturity amounts, including Sinking Fund Installments, for the Bonds then being converted to the Fixed Mode or from one Fixed Mode to another Fixed Mode; provided that, with respect to any such conversion of the Series 2024C Bonds, such schedule be accompanied by a Favorable Opinion of Bond Counsel addressed to the Authority and the Bond Trustee.

(vii) Changes to Serial Maturity Dates in Connection with a Conversion from the Fixed Mode. Upon the Conversion of the Bonds from the Fixed Mode, the maturity date for any serial maturities of the Bonds shall become the final Maturity Date for such Bonds and principal amounts of such serial maturities of the Bonds while operating in the prior Fixed Mode shall become Sinking Fund Installments. All existing Sinking Fund Installments shall remain in effect and any term bond maturity installment (other than the installment due on the final Maturity Date) shall become a Sinking Fund Installment. The final Maturity Date of the Bonds and the amount of principal due on such final Maturity Date will not be changed. Notwithstanding the foregoing, the Borrower may deliver to the Bond Trustee a schedule of revised Maturity Dates and maturity amounts, including Sinking Fund Installments, for the Bonds then being converted from the Fixed Mode; provided that, with respect to any such conversion of the Series 2024C Bonds, such schedule be accompanied by a Favorable Opinion of Bond Counsel addressed to the Authority and the Bond Trustee.

Section 2.16. Execution and Authentication. The Bonds issued under this this Bond Indenture shall be substantially in the form set forth in Exhibit A with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in the form attached hereto as Exhibit A, as applicable, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Bond shall be conclusive evidence and the only competent evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Bonds issued hereunder.

The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its President, the Vice President or Secretary or any other Authorized Representative of the Authority. In case any Authorized Representative of the Authority whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such Authorized Representative before the authentication of such Bonds, such signature or the facsimile thereof shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office or as a member or representative of the Authority until authentication; and any Bond may be signed on behalf of the Authority by such persons as are at the time of execution of such Bond proper officers, members or representatives of the Authority, even though at the date of this Bond Indenture, such person was not such an officer, member or representative.

Section 2.17. Registration, Transfer and Exchange. The Bond Trustee is hereby appointed “bond registrar” for the purpose of registering Bonds and transfers of Bonds as herein provided. The Bond Trustee shall cause to be kept at its Corporate Trust Office the Registration Books, in which, subject to such reasonable regulations as it may prescribe, the Bond Trustee shall provide for the registration, transfer and exchange of Bonds as herein provided.

Bonds may be transferred or exchanged only upon the Registration Books maintained by the Bond Trustee as provided in this Section. Upon surrender for transfer or exchange of any Bond at the Corporate Trust Office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity of any Authorized Denominations and of a like aggregate principal amount.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Trustee, as bond registrar) be duly endorsed, or be accompanied by a written instrument of transfer and such other documentation as may be requested by the Bond Trustee in form satisfactory to the Bond Trustee, as bond registrar, duly executed by the Owner thereof or his attorney or legal representative duly authorized in writing.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid special limited obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Bond Indenture, as the Bonds surrendered upon such transfer or exchange.

Direct Purchase Bonds may be transferred without limitation to any affiliate of the Direct Purchaser or to a trust or custodial arrangement established by the Direct Purchaser or any affiliate of the Direct Purchaser, each of the Holders of which is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act, subject to the limitations, if any, set forth in the Bondholder Agreement. Direct Purchase Bonds may also be transferred to a purchaser (other than an affiliate of the Direct Purchaser or a trust or custodial arrangement as described in the preceding sentence) if (i) written notice of such transfer, together with addresses and related information with respect to such purchaser, is delivered to the Borrower and the Bond Trustee by such transferor, and (ii) such purchaser shall have delivered to the Borrower, the Authority, the Bond Trustee and the transferor an investor letter executed by a duly authorized officer of such purchaser; provided that each such purchaser (as certified in such investor letter) shall be (A) a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities and (B) a commercial bank organized under the laws of the United States, or any state thereof, or any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and, in any case, having a combined capital and surplus of not less than \$5,000,000,000 as of the date of such transfer. Additionally, the transferability of Direct Purchase Bonds shall be subject to any further restrictions set forth in the applicable Bondholder Agreement. The Bond Trustee has no duty or obligation to confirm whether or not the requirements set forth above have been satisfied in connection with any transfer of the Bonds.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Bond Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Bond

Trustee for making any transfer or exchange and the expense of any bond printing necessary to affect any such transfer or exchange shall be paid by the Borrower. In the event any Registered Owner fails to provide a certified taxpayer identification number to the Bond Trustee, the Bond Trustee may impose a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Bond Trustee from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

The Bond Trustee shall not be required to (a) transfer or exchange any Bond (other than a Bond tendered for purchase under Section 4.06, 4.07, 4.08 or 4.09 hereof) during a period beginning 15 days before the day of the mailing of a notice from the Bond Trustee to the Owners of redemption of such Bond and ending at the close of business on the fifth Business Day after such mailing, or (b) transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Bonds and ending at the close of business on the relevant Interest Payment Date therefor.

The Person in whose name any Bond is registered on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes, except as otherwise provided in this Bond Indenture when a book-entry system is in effect for the Bonds, and payment of or on account of the principal and Redemption Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Bond Trustee will keep the Registration Books on file at its Corporate Trust Office, which shall include a list of the names and addresses of the last known Owners of all Bonds and the serial numbers of such Bonds held by each of such Owners. At reasonable times and under reasonable regulations established by the Bond Trustee, the list may be inspected and copied by the Authority, the Borrower, or the Owners of 10% in Outstanding principal amount of the Bonds or the authorized representative thereof, provided that the ownership of such Owner and the authority of any such designated representative shall be evidenced to the satisfaction of the Bond Trustee.

The transferor of a Bond shall also provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.18. Reserved.

Section 2.19. Mutilated, Lost, Stolen or Destroyed Bonds. If (a) any mutilated Bond is surrendered to the Bond Trustee, or the Bond Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Authority and the Bond Trustee such security or indemnity as may be required by the Bond Trustee to save each of them harmless, then, in the absence of notice to the Bond Trustee that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and the Bond Trustee shall authenticate and

deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same principal amount, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the Authority and the Bond Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Bond, shall constitute an original additional contractual obligation of the Authority, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Bond Indenture equally and ratably with all other Outstanding Bonds.

Section 2.20. Cancellation of Bonds. All Bonds surrendered to the Bond Trustee for payment, redemption, transfer, exchange or replacement shall be promptly cancelled by the Bond Trustee. The Authority or the Borrower may at any time deliver to the Bond Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Authority or the Borrower may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bond Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Bond Indenture. All cancelled Bonds held by the Bond Trustee shall be destroyed and disposed of by the Bond Trustee in accordance with applicable record retention requirements. The Bond Trustee shall execute and deliver to the Authority and the Borrower a certificate describing the Bonds so cancelled.

Section 2.21. Use of Securities Depository. Notwithstanding any provision of this Bond Indenture to the contrary, but subject to Section 2.13(d) hereof during the Direct Purchase Period when the Bonds may be in definitive certificated form registered in the name of the Direct Purchaser until otherwise directed by the Direct Purchaser, it is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein, and the ownership of each such Bond shall be registered on the Registration Books in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Authority and the Bond Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations.

With respect to Bonds registered in the Registration Books in the name of Cede & Co., as nominee of DTC, the Authority and the Bond Trustee shall have no responsibility or obligation to any broker dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker dealer, bank or other financial institution being referred to herein as a "Depository Participant") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Authority and the Bond Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., any Depository Participant or any Indirect Participant with respect to the ownership interest in the Bonds, (b) the delivery to any Depository Participant or any Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of

redemption, (c) the payment to any Depository Participant or Indirect Participant or any other person, other than a registered owner of a Bond as shown in the Registration Books, of any amount with respect to principal or Redemption Price of or interest on, the Bonds, (d) any consent given by the Securities Depository as registered owner, or (e) subject to Article IV, the selection by the Securities Depository or any Depository Participant of any beneficial owners to receive payment if Bonds are redeemed in part. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Bond Trustee of written notice from DTC to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest by the payment to the registered owners of Bonds at the close of business on the Record Date applicable to any interest payment date, the name "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC.

The Authority has executed the Letter of Representations. Such Letter of Representations is for the purpose of effectuating the book-entry only system only and shall not be deemed to amend, supersede or supplement the terms of this Bond Indenture which are intended to be complete without reference to the Letter of Representations. In the event of any conflict between the terms of the Letter of Representations and the terms of this Bond Indenture, the terms of this Bond Indenture shall control. The Securities Depository may exercise the rights of a Bondholder hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 2.22. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) the Bond Trustee determines (with the Authority's consent) that DTC is incapable of discharging its responsibilities described herein and in the Letter of Representations, (b) the Letter of Representations shall be terminated for any reason or (c) the Borrower (with the consent of the Bond Trustee) determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Bond Trustee or the Authority shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered on the Registration Books in the name of Cede & Co., as nominee of DTC but may be registered in the name of the successor security depository, or its nominee, in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. In connection with any proposed transfer outside the book-entry only system, the Borrower or DTC shall provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.23. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or Redemption Price of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in

the manner provided in the Letter of Representations. The Bond Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Bond Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants.

Section 2.24. Calculation Agent.

(a) The Borrower shall appoint a Calculation Agent for the Bonds in the Direct Purchase Mode, if applicable, the FRN Mode and the Windows Mode, subject to the conditions set forth below. Any Calculation Agent shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority, the Borrower and the Bond Trustee in which the Calculation Agent will agree to perform all calculations and provide all notices required of the Calculation Agent under this Bond Indenture.

(b) The Calculation Agent may at any time resign and be discharged of the duties and obligations created by this Bond Indenture by giving at least 60 days' notice to the Authority, the Borrower, the Bond Trustee, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any. Upon receipt of such notice, during any Interest Rate Period in which the services of a Calculation Agent are required under this Bond Indenture, the Borrower has agreed in the Loan Agreement to diligently seek to appoint a successor Calculation Agent to assume the duties of the Calculation Agent on the effective date of the prior Calculation Agent's resignation. During the pendency of the Borrower appointing a new Calculation Agent, the Borrower shall itself act as Calculation Agent, and service in such case shall commence on the effective date of the resignation of the prior Calculation Agent and to remain in effect until a successor Calculation Agent assumes such position in accordance with the provisions hereof. The Calculation Agent may be removed at any time by written notice from the Borrower to the Authority, the Bond Trustee, the Credit Facility Provider, if any, the Liquidity Facility Provider, if any, the Direct Purchaser, if any and the Remarketing Agent, provided that such removal shall not be effective until a successor Calculation Agent assumes such position in accordance with the provisions hereof.

(c) The Bond Trustee shall, within 30 days of receipt from a Responsible Officer of the Bond Trustee of notice of the resignation or removal of the Calculation Agent or the appointment of a successor Calculation Agent, give notice thereof by Electronic Notice, confirmed by first class mail, to the registered owners of the Bonds.

(d) Promptly after determining any interest rate required to be determined by the Calculation Agent under this Bond Indenture, the Calculation Agent shall provide Electronic Notice to the Bond Trustee, the Remarketing Agent and any requesting Holder who has provided it with appropriate notice address.

ARTICLE III
ISSUANCE OF SERIES 2024C BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Series 2024C Bonds.

The Series 2024C Bonds in the aggregate principal amount of \$[] shall forthwith be executed by the Authority and delivered to the Bond Trustee for authentication.

Prior to the delivery by the Bond Trustee of the Series 2024C Bonds, the following shall be delivered to or deposited with the Bond Trustee:

- (a) a copy of the Final Bond Resolution;
- (b) a copy of the Board resolution of the Borrower authorizing the execution and delivery of the Borrower Documents and approving this Bond Indenture and the issuance and sale of the Series 2024C Bonds;
- (c) original executed counterparts or certified copies of this Bond Indenture and each of the Borrower Documents and the original executed Master Note;
- (d) a signed opinion of Ballard Spahr LLP, in connection with certain matters required by the Bond Purchase Agreement, substantially in the form acceptable to the Authority;
- (e) (i) a signed opinion of Ballard Spahr LLP, Co-Bond Counsel, (ii) a signed opinion of Andre C. Dasent, P.C., Co-Bond Counsel and (iii) a signed opinion of John A. Schwab, Attorney at Law, LLC, Co-Bond Counsel, each in a form acceptable to the Authority;
- (f) a signed opinion of Barley Snyder LLP, counsel for the Authority, substantially in the form acceptable to the Borrower;
- (g) a request and authorization to the Bond Trustee on behalf of the Authority and signed by an Authorized Representative to authenticate and deliver the Series 2024C Bonds in the aggregate principal amount of \$[] to the purchasers therein identified upon payment to the Bond Trustee, for the account of the Authority, of the sum specified in such request and authorization, such proceeds to be paid over to the Bond Trustee and deposited to the credit of various funds established hereunder or as otherwise provided under Section 3.02 hereof; and
- (h) any other certificate, opinion, document or payment required by Bond Counsel or by the Authority.

Section 3.02. Application of Proceeds of the Bonds.

(a) The Bond Trustee shall deposit the proceeds of the sale of the Series 2024C Bonds in accordance with Section 5.02(c).

(b) The Borrower shall furnish to the Bond Trustee at the time the Series 2024C Bonds are authenticated a Closing Statement signed by an Authorized Officer of the Borrower and the Authority (the "Closing Statement") as set forth in Section 5.02(e), showing: (i) the amount of the proceeds of the sale of the Series 2024C Bonds; (ii) the amount of proceeds from the Series 2024C Bonds to be retained in the Project Fund; (iii) the amounts payable from the Project Fund to the Borrower for reimbursement of prior expenditures related to the Capital Project, (iv) the amounts to be transferred from the Project Fund to fund the Refunding Project; and (v) the amounts to be transferred from the Project Fund to the Expenses Account to be applied for the payment of Costs of Issuance of the Series 2024C Bonds, as applicable.

ARTICLE IV
REDEMPTION AND TENDER OF BONDS

Section 4.01. Terms of Redemption.

(a) Extraordinary Optional Redemption. The Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of the Borrower, on any Interest Payment Date, in the event a substantial portion of the Borrower's facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued interest thereon to the redemption date, but only with Eligible Moneys at any time at which there is a Credit Facility that is a direct-pay letter of credit in effect with respect to such Bonds.

(b) Optional Redemption of Daily Bonds, Two Day Bonds, Weekly Bonds and Window Bonds. Daily Bonds, Two Day Bonds, Weekly Bonds and Window Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Business Day in such amounts as are designated by the Borrower at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium. For any Bonds that are enhanced with a Credit Facility that is a direct-pay letter of credit, such amounts shall be prepaid with Eligible Moneys.

(c) Optional Redemption of VRO Bonds. VRO Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Business Day in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(d) Optional Redemption of Short Term Bonds. Short Term Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part on any Interest Payment Date for such Short Term Bonds, in such amounts as are

designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(e) Optional Redemption of FRN Bonds. FRN Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, as follows: on any Business Day during the period beginning on the date established pursuant to Section 2.10(a) and ending on the last day of such FRN Period, in whole or in part, in such amounts as are designated by the Borrower, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(f) Optional Redemption of Flexible Rate Bonds. Bonds in the Flexible Mode are not subject to optional redemption prior to their respective Purchase Dates. Bonds in the Flexible Mode shall be subject to redemption at the option of the Borrower, in whole or in part on their respective Purchase Dates at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(g) Optional Redemption of Long Term Bonds, Fixed Bonds and the Series 2024C Bonds.

(i) During the Initial Fixed Period, the Series 2024C Bonds are subject to redemption at the option of the Authority, at the written direction of the Borrower, in whole or in part, (i) before [____], at a Make-Whole Redemption Price, and (ii) on or after [____], at a redemption price equal to 100% of the principal amount of the Series 2024C Bonds to be redeemed, together with accrued interest thereon to the redemption date. For purposes of this subsection (i), the following definitions shall apply:

(A) "Make-Whole Redemption Price" means, the greater of (i) 100% of the principal amount of the Series 2024C Bonds of such maturity to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on the Series 2024C Bonds of such maturity to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2024C Bonds are to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus ____ basis points, plus in each case, accrued and unpaid interest on the Series 2024C Bonds being redeemed to the date fixed for redemption.

(B) "Treasury Rate" means, with respect to any redemption date, with respect to the Series 2024C Bonds of a particular maturity, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second business day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

(C) “Comparable Treasury Issue” means, with respect to the Series 2024C Bonds of a particular maturity, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Series 2024C Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2024C Bonds of such maturity to be redeemed.

(D) “Comparable Treasury Price” means, with respect to any redemption date, with respect to the Series 2024C Bonds of a particular maturity, (A) the average of the applicable Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Series 2024C Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

(E) “Independent Investment Banker” means one of the Reference Treasury Dealers as designated by the Authority.

(F) “Reference Treasury Dealer” means each of four firms, as designated by the Authority, and their respective successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the City of New York (a “Primary Treasury Dealer”), the Authority will substitute another Primary Treasury Dealer.

(G) “Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2024C Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to the Authority, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

(ii) “Business Day” means any day, other than a Saturday or Sunday, and other than a day on which the Trustee or a Paying Agent (other than the Trustee), as applicable, is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

(iii) Bonds in the Long Term Mode or Fixed Mode, other than during the Initial Fixed Period, are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part, in such amounts as may be designated by the Borrower, (i) on each Long Term Rate Mandatory Purchase Date with respect to Bonds in a Long Term Period, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium, and (ii) after the applicable no call periods specified below with respect to Long Term Bonds or Fixed Bonds (or, with a Favorable

Opinion of Bond Counsel, during such different periods and at such different Redemption Prices specified in a notice of the Borrower to the Bond Trustee in connection with the establishment of the Long Term Rate(s) or a Fixed Rate(s)), on any date, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium:

Length of Long Term Period or Years Remaining to Maturity as of Fixed Rate Conversion Date or Long Term Conversion Date	Initial Redemption Dates (Anniversary of Fixed Rate Conversion Date or Long Term Conversion Date)
Equal to or less than 10 years	Not subject to optional redemption
Greater than 10 years	10th anniversary

(iv) The foregoing Section 4.01(g) notwithstanding, if the Borrower delivers to the Bond Trustee, the Remarketing Agent and the Authority on any Conversion Date or Purchase Date (for Bonds remaining Long Term Bonds for an additional Long Term Interest Rate Period) (1) a notice containing alternative call protection periods and/or Redemption Prices for Long Term Bonds or Fixed Bonds and (2) with respect to the Series 2024C Bonds, a Favorable Opinion of Bond Counsel, then the Bonds shall be subject to redemption at the option of the Borrower, pursuant to the call protection periods and at the Redemption Prices, if any, set forth in that notice, and this Section 4.01(g) shall be deemed to be modified as set forth in such notice.

(h) Optional Redemption of Direct Purchase Bonds. Direct Purchase Bonds are subject to redemption prior to their Maturity Date, at the option of the Borrower, in whole or in part at any time on or after their Direct Purchase Period Earliest Redemption Date, if any, at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, with premium, if any, or, with a Favorable Opinion of Bond Counsel, as is set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement.

(i) Mandatory Redemption of VRO Bonds. VRO Bonds are subject to mandatory redemption on each VRO Interest Rate Period Special Mandatory Redemption Date (unless no longer effective pursuant to the terms of Section 2.11(c)(iv)) at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(j) Mandatory Redemption of Direct Purchase Bonds. Direct Purchase Bonds are subject to mandatory redemption at the times, in the amounts, and at the Redemption Prices, as may be set forth in the applicable Supplemental Bond Indenture or Bondholder Agreement. Anything in this Bond Indenture to the contrary notwithstanding, no notice related to a mandatory redemption related to Sinking Fund Installments shall be required while the Bonds are in Direct Purchase Mode.

(k) Sinking Fund Redemption. The Bonds are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts and at the times set forth in Section 5.05(d) at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(l) Redemption of Bank Bonds. All Liquidity Facility Bonds and Credit Facility Bonds shall also be subject to redemption as may be provided in the applicable Liquidity Facility Agreement or Credit Facility Agreement at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

(m) Purchase in Lieu of Optional Redemption. Notwithstanding the above provisions in this Section 4.01, any Bonds subject to optional redemption and cancellation pursuant to Section 4.01(b), (c), (d), (e), (f), (g) or (h) above shall also be subject to optional call for purchase and, at the option of the Borrower, holding, resale or cancellation by the Borrower (i.e., a so called purchase in lieu of redemption) at the same times and at the same Redemption Prices as are applicable to the optional redemption of such Bonds as provided in such paragraphs, provided that purchase in lieu of optional redemption shall be subject to the same conditional requirements as conditional calls hereunder. To exercise such option, the Borrower shall give the Bond Trustee a Written Request exercising such option within the time period specified in Section 4.03 hereof as though such Written Request were a written request for redemption, and the Bond Trustee shall thereupon give the holders of the Bonds to be purchased notice of such purchase in the manner specified in Section 4.03 hereof as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the holders. On the date fixed for purchase pursuant to any exercise of such option, the Borrower or its assignee shall pay the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof; provided however that in the case of any Bonds that are at the time enhanced with a Credit Facility that is a direct-pay letter of credit, such purchase price shall be paid with Eligible Moneys. Following such purchase, the Bond Trustee shall cause such Bonds to be registered in the name of the Borrower or its assignees and shall deliver them to the Borrower or its assignee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with Section 4.02 hereof. No purchase of the Bonds pursuant to these provisions shall operate to extinguish the indebtedness of the Authority evidenced thereby (subject to all the terms and limitations contained in this Bond Indenture). Notwithstanding the foregoing, no purchase shall be made pursuant to this section (m) with respect to the Series 2024C Bonds unless the Borrower shall have delivered to the Bond Trustee and the Authority concurrently therewith a Favorable Opinion of Bond Counsel.

(n) Denominations. All redemptions of less than all Bonds shall be in Authorized Denominations.

(o) Sinking Fund Adjustments. If there shall be any redemptions of Bonds other than sinking fund redemptions, the Borrower shall provide the Bond Trustee a revised Sinking Fund Installment schedule in order to reflect any such other redemptions.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in this Bond Indenture for the redemption of less than all of the Bonds or any given portion thereof, the Bond Trustee shall select the Bonds to be redeemed, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed in writing by the Borrower or in the absence of direction by lot; provided, however, that Bonds shall be redeemed in the following order of priority (and randomly within each priority):

FIRST: Any Bonds which are Bank Bonds; and

SECOND: Any other Bonds.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by the Bond Trustee, not less than 20 days nor more than 60 days prior to the redemption date to the Holders of Bonds called for redemption at their addresses appearing on the Registration Books as of the date of the giving of such notice. The Bond Trustee shall also give notice of redemption by Electronic Notice to the Remarketing Agent, if any, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Securities Depository. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Bond Trustee), the Maturity Date, the CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that, subject to the deposit of sufficient funds with the Bond Trustee on or prior to the redemption date to effect the redemption and to prior rescission as provided in the next paragraph of this Section 4.03, on that date there will become due and payable on each of the Bonds the Redemption Price thereof or of the specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Any notice given pursuant to this Section 4.03 shall state (i) that it is conditioned upon the deposit with the Bond Trustee on or prior to the redemption date of moneys in an amount equal to the amount necessary to effect the redemption and (ii) that the notice may be rescinded by written notice given to the Bond Trustee by the Borrower on or prior to the date specified for redemption, and in either of such cases such notice and redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Bond for which a notice of redemption has been rescinded or for which sufficient funds to pay the Redemption Price thereof have not been deposited with the Bond Trustee on or prior to the redemption date shall remain outstanding and neither the rescission of the notice nor the failure to fund the Redemption Price shall constitute an Event of Default hereunder. The Bond Trustee shall give notice of such rescission or failure to fund the Redemption Price as soon thereafter as practicable in the same manner, and to the same Persons, as notice of such redemption was given pursuant to this Section 4.03.

Failure by the Bond Trustee to give notice pursuant to this Section 4.03 to any one or more of the securities information services or depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to this Section 4.03 to any one or more of the respective Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

Notice of redemption of Bonds shall be given by the Bond Trustee, at the direction and expense of the Borrower, for and on behalf of the Authority.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute (but need not prepare) and the Bond Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Borrower, a new Bond or Bonds of Authorized Denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered; provided, however, that during any Direct Purchase Period, there shall be no requirement for the Holder to present the Bonds for surrender in connection with a partial redemption of the Bonds.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the redemption date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Bond Indenture and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price and accrued interest to the date fixed for redemption from funds held by the Bond Trustee for such payment.

All Bonds redeemed pursuant to the provisions of this Article IV shall be canceled upon surrender thereof (and if applicable credited against Sinking Fund Installments), unless resold at the direction of the Borrower in accordance with Section 4.01(m).

Section 4.06. Optional Tenders During Daily Periods, Two Day Periods, Weekly Periods, Window Periods and VRO Periods.

(a) Holders of Eligible Bonds may elect to have their Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds, or portions thereof in amounts in Authorized Denominations, purchased at the Purchase Price on the following Purchase Dates and upon giving the following Electronic Notice or written notice meeting the further requirements set forth below:

(i) Eligible Bonds with interest payable at a Daily Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 11:00 a.m., New York City time, on the designated Purchase Date.

(ii) Eligible Bonds with interest payable at a Two Day Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 1:00 p.m., New York City time, on a Business Day not fewer than two days prior to the designated Purchase Date.

(iii) Eligible Bonds with interest payable at a Weekly Rate may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(iv) Eligible Bonds with interest payable at a Window Rate may be tendered for purchase at the Purchase Price payable in immediately available funds upon delivery of Electronic Notice of tender to the Bond Trustee and the Remarketing Agent with respect to such Bonds not later than 5:00 p.m., New York City time, on any Business Day for tender on a Window Rate Optional Purchase Date designated by the Remarketing Agent, if any.

(v) Eligible Bonds with interest payable at a VRO Rate may be tendered for purchase at the VRO Interest Rate Period Purchase Price in accordance with the applicable provisions of Section 2.11(b).

(b) Each notice of tender (other than a VRO Interest Rate Period Tender Notice which shall conform to the requirements set forth in Section 2.11(b)):

(i) Shall, in case of a written notice, be delivered to the Bond Trustee at its Corporate Trust Office and the Remarketing Agent at its Principal Office and be in form satisfactory to the Bond Trustee and the Remarketing Agent;

(ii) Shall state (A) the principal amount of the Daily Bond, Two Day Bond, Weekly Bond or Window Bond to which the notice relates and the CUSIP number of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond, (B) that the Holder irrevocably demands purchase of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond or a specified portion thereof in an Authorized Denomination, (C) for any Daily Bond, Two Day Bond or Weekly Bond, the Purchase Date on which such Daily Bond, Two Day Bond or Weekly Bond or portion thereof is to be purchased and (D) payment instructions with respect to the Purchase Price; and

(iii) Shall automatically constitute (A) an irrevocable offer to sell the Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) to which such notice relates on the Purchase Date (which, in the case of Window Bonds, shall be the Purchase Date, if any, designated by the Remarketing Agent pursuant to Section 4.11(b)(iii) (a "Window Rate Optional Purchase Date")), to any

purchaser selected by the Remarketing Agent, with respect to the applicable Bonds at a price equal to the Purchase Price, (B) an irrevocable authorization and instruction to the Bond Trustee to effect transfer of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) upon receipt by the Bond Trustee of funds sufficient to pay the Purchase Price on the Purchase Date (subject to Section 4.11(b)(iii) with respect to Window Bonds), (C) an irrevocable authorization and instruction to the Bond Trustee to effect the exchange of the Daily Bond, Two Day Bond, Weekly Bond or Window Bond to be purchased in whole or in part for other Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds in an equal aggregate principal amount so as to facilitate the sale of such Daily Bond, Two Day Bond, Weekly Bond or Window Bonds (or portion thereof to be purchased), and (D) an acknowledgment that such Holder will have no further rights with respect to such Daily Bond, Two Day Bond, Weekly Bond or Window Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price therefor with the Bond Trustee on the Purchase Date, except for the right of such Holder to receive such Purchase Price upon surrender of such Daily Bond, Two Day Bond, Weekly Bond or Window Bond to the Bond Trustee.

The determination of the Bond Trustee and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Holder. The Bond Trustee or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

(c) The right of Holders to tender Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds for purchase pursuant to this Section 4.06 shall terminate upon a Conversion Date with respect to such Daily Bonds, Two Day Bonds, Weekly Bonds, Window Bonds or VRO Bonds, respectively, to an Interest Rate Mode that is not a Daily Mode, Two Day Mode, Weekly Mode, Window Mode or VRO Mode, respectively.

(d) Notwithstanding anything to the contrary herein, all Daily Bonds, Two Day Bonds or Weekly Bonds as to which Electronic Notice specifying the Purchase Date has been delivered pursuant to this Section 4.06 (and which have not been tendered to the Bond Trustee) shall be deemed tendered on the specified Purchase Date. From and after the specified Purchase Date of a Bond or Bonds tendered to the Bond Trustee or deemed tendered pursuant to this Section 4.06, the former Holder of such Bond or Bonds shall be entitled solely to the payment of the Purchase Price of such Bond or Bonds tendered or deemed tendered, which Purchase Price shall be payable only as set forth in Section 4.10(e) hereof.

(e) The Bond Trustee shall promptly return any notice of tender delivered pursuant to Section 4.06(b) hereof (together with the Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by Section 4.06(b) hereof to the Person or Persons submitting such notice and Bonds upon surrender of the receipt, if any, issued therefor.

(f) Notwithstanding anything herein or in the Loan Agreement to the contrary, in the event of the optional tender of any Daily Bonds, Two-Day Bonds or Weekly Bonds, and the failure of the Remarketing Agent to remarket any such Bonds, and the subsequent failure of the Liquidity Facility Provider or Credit Facility Provider, if any, to fund the Purchase Price of any such tendered Bonds pursuant to a Liquidity Facility or Credit Facility, then the Borrower shall have the option, but not the obligation (other than its obligation pursuant to Section 4.05 of the Loan Agreement), to fund the Purchase Price of any such tendered Bonds, on or after the Purchase Date therefor.

Section 4.07. Mandatory Tender for Purchase of Bonds.

(a) Bonds shall be subject to mandatory tender for purchase by the Bond Trustee at the Purchase Price on the following Mandatory Purchase Dates with respect to such Bonds:

(i) Each Conversion Date for Bonds, as provided in Section 4.08 hereof except Conversions from the Weekly Mode to the Daily Mode and from the Daily Mode to the Weekly Mode; provided, however, that if such Conversion Date is already a Mandatory Purchase Date, as specified in Sections 4.07(a)(ii), (iii), (iv), (v), (vi), (vii) (viii), (ix) and (x) hereof, no separate mandatory tender shall occur;

(ii) Each Short Term Rate Mandatory Purchase Date;

(iii) Each Long Term Rate Mandatory Purchase Date;

(iv) In connection with a Noticed Termination Date, an Expiration Date of the Credit Facility or the Liquidity Facility in effect with respect to any Bonds or the delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, on the dates and as provided in Sections 4.09, 4.17, 4.19 and 4.20 hereof, and, (A) during any time in which the Borrower has delivered a Self-Liquidity Arrangement for the Bonds as permitted herein, on the effective date of any Liquidity Facility or Credit Facility that is delivered to the Bond Trustee in substitution for such Self-Liquidity Arrangement and (B) during any time in which the Bonds are not supported by a Liquidity Facility, a Credit Facility or a Self-Liquidity Arrangement, on the effective date of any Liquidity Facility, Credit Facility or Self-Liquidity Arrangement that is delivered to the Bond Trustee in support of the Bonds;

(v) Each FRN Rate Mandatory Purchase Date;

(vi) Each Window Rate Mandatory Purchase Date, as provided in Section 4.11(b)(iii) hereof;

(vii) Each Borrower Elective Purchase Date for any Daily Bonds, Two Day Bonds, Weekly Bonds or Window Bonds, as provided in Section 4.07(g) hereof;

(viii) Each VRO Interest Rate Period Remarketing Date as provided in Section 2.11(c)(ii) hereof;

(ix) Each Direct Purchase Rate Mandatory Purchase Date; and

(x) with respect to a Flexible Rate Bond, the first Business Day following the last day of each Flexible Rate Period.

(b) Bonds to be purchased pursuant to Section 4.07(a) hereof shall be delivered by the Holders thereof to the Bond Trustee (together with necessary assignments and endorsements) at or prior to 10:00 a.m., New York City time, on the applicable Purchase Date (provided, however, that the Holder of a Direct Purchase Bond subject to Conversion from a Direct Purchase Period to another Direct Purchase Period shall have the option to retain possession of such Direct Purchase Bond if such Holder is to continue to hold such Direct Purchase Bond for the ensuing Direct Purchase Period).

(c) Any Bonds to be purchased by the Bond Trustee pursuant to this Section 4.07 that are not delivered for purchase on or prior to the Mandatory Purchase Date, for which there has been irrevocably deposited in trust with the Bond Trustee an amount sufficient to pay the Purchase Price of such Bonds, shall be deemed to have been tendered to the Bond Trustee for purchase, and the Holders of such Bonds shall not be entitled to any payment (including any interest to accrue on or after the Mandatory Purchase Date) other than the respective Purchase Prices of such Bonds, and such Bonds shall not be entitled to any benefits of this Bond Indenture, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid, subject, however, to the provisions of Article X hereof.

(d) In addition to any other requirements set forth in this Bond Indenture (except as otherwise provided in Section 2.11 hereof), notices of mandatory tender of Bonds delivered to Holders shall:

(i) Specify the proposed Mandatory Purchase Date and the event which gives rise to the proposed Mandatory Purchase Date;

(ii) State that such Bonds shall be subject to mandatory tender for purchase on such Mandatory Purchase Date;

(iii) State that Holders may not elect to retain such Bonds subject to mandatory tender;

(iv) State that all such Bonds subject to mandatory tender shall be required to be delivered to the Corporate Trust Office of the Bond Trustee at or before 10:00 a.m., New York City time, on the Mandatory Purchase Date;

(v) State that if the Holder of any Bond subject to mandatory tender fails to deliver such Bond to the Bond Trustee for purchase on the Mandatory Purchase Date, and if the Bond Trustee is in receipt of funds sufficient to pay the Purchase Price thereof, such Bond (or portion thereof) shall nevertheless be deemed

purchased on the Mandatory Purchase Date and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof;

(vi) State that any Holder that fails to deliver any Bond for purchase shall have no further rights thereunder or under this Bond Indenture except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Bond Trustee and that the Bond Trustee will place a stop transfer against the Bonds subject to mandatory tender registered in the name of such Holder(s) on the Registration Books;

(vii) State that if moneys sufficient to effect such purchase shall have been provided through (A) the remarketing of such Bonds by the Remarketing Agent, (B) the Credit Facility, if any, or the Liquidity Facility, if any, or (C) funds provided by the Borrower (if applicable), all such Bonds shall be purchased;

(viii) In the case of mandatory tender upon any proposed Conversion of Bonds, state that such Conversion and such mandatory tender will not occur in the event the conditions to Conversion specified in Section 2.15 hereof do not occur, and that any such failure to effect the Conversion shall not constitute an Event of Default (unless the Bonds, by their terms are otherwise subject to mandatory tender as described in Section 4.07(a) hereof);

(ix) In the case of mandatory tender as a result of the upcoming Expiration Date of the Credit Facility, if any, or the Liquidity Facility, if any, state that such mandatory tender will not occur, if, on or prior to the Mandatory Purchase Date, such Expiration Date is extended; and

(x) In the case of a mandatory tender on a VRO Rate Mandatory Purchase Date, contain the information required pursuant to Section 2.11 hereof.

(e) Notice of mandatory tender of Bonds by reason of a proposed Conversion shall be given in accordance with Section 2.15 hereof. Notice of mandatory tender of Bonds by reason of other events described in Section 4.07(a) hereof shall be given by the Bond Trustee (i) to the Holders of the Bonds subject to mandatory tender (at their addresses as they appear on the Registration Books as of the date of such notice) by Electronic Notice, confirmed by first class mail, and (ii) to the Borrower, the Authority, the Remarketing Agent, the Calculation Agent, if any, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, with respect to such Bonds by Electronic Notice not fewer than 10 days prior to the applicable Mandatory Purchase Date (except in the case of a mandatory tender pursuant to Section 4.17 hereof, which notice period shall be as described therein, in the case of a mandatory tender of VRO Bonds pursuant to Section 4.07(a)(viii) hereof, which notice period shall be in accordance with Section 2.11, and in the case of a Window Rate Mandatory Purchase Date, which notice shall be given in accordance with Section 4.11(b)(iii) hereof). Any notice of mandatory tender pursuant to Section 4.07(g) hereof shall state that the mandatory tender of the Bonds on a Borrower Elective Purchase Date (as defined in Section 4.07(g)) is conditioned upon receipt by the Bond Trustee of sufficient remarketing proceeds to pay the Purchase Price of the Bonds on the Borrower

Elective Purchase Date, that any failure to provide such funds shall not constitute an Event of Default, and that the notice of mandatory tender shall be rescinded in the event that sufficient remarketing proceeds are not deposited with the Bond Trustee on such Borrower Elective Purchase Date.

(f) If, following the giving of notice of mandatory tender of Bonds pursuant to Section 4.07(a) hereof, an event occurs which, in accordance with the terms of this Bond Indenture causes such mandatory tender not to occur, then (i) the Bond Trustee shall so notify the Holders of such Bonds (at their addresses as they appear on the Registration Books on the date of such notice), by Electronic Notice, confirmed by first class mail, as soon as may be practicable after the applicable Mandatory Purchase Date, and (ii) the Bond Trustee shall return to the Holders any such Bonds tendered to the Bond Trustee in connection with such mandatory tender of such Bonds.

(g) During any Daily Period, Two Day Period, Weekly Period or Window Period, the Bonds are subject to mandatory tender for purchase on any Business Day (a “Borrower Elective Purchase Date”) designated by the Borrower, with the consent of the Liquidity Facility Provider or the Credit Facility Provider, if any, at the Purchase Price, payable in immediately available funds. Such Borrower Elective Purchase Date shall be a Business Day not earlier than the 10th day following the second Business Day after receipt by the Bond Trustee of such designation. If on a Borrower Elective Purchase Date sufficient remarketing proceeds are not available for the purchase of all Bonds, as applicable, then the Borrower’s designation of such Borrower Elective Purchase Date for such Bonds shall be deemed rescinded, the Borrower shall have no obligation to purchase the Bonds tendered or deemed tendered on such Borrower Elective Purchase Date, and the failed remarketing shall not constitute an Event of Default under this Bond Indenture. The Bond Trustee shall give Electronic Notice of such rescission to the Holders, with a copy to the Borrower, the Authority, the Remarketing Agent and the Liquidity Facility Provider or the Credit Facility Provider, if any, as soon as practicable and in any event not later than the date of rescission of the proposed Borrower Elective Purchase Date.

Section 4.08. Mandatory Tender for Purchase on Conversion Date, on First Day of Each Interest Rate Mode, During Direct Purchase Period.

(a) Eligible Bonds shall be subject to mandatory tender for purchase on any Conversion Date (except for Conversions from the Weekly Mode to the Daily Mode and from the Daily Mode to the Weekly Mode) or on the first day of each Interest Rate Mode with respect to such Bonds, at the applicable Purchase Price for such Bonds, payable in immediately available funds, or, in the case of a purchase on the first day of an Interest Rate Mode which is preceded by a Long Term Period and which commences prior to the day originally established as the last day of such preceding Long Term Period, at a Purchase Price equal to the optional Redemption Price set forth in Section 4.01(g) hereof, plus accrued interest, if any. The Purchase Price of any Bond so purchased shall be payable only upon surrender of such Bond to the Bond Trustee at its Corporate Trust Office at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to Section 2.15 hereof.

(b) The Direct Purchase Bonds shall be subject to mandatory tender for purchase (i) on each Direct Purchase Rate Mandatory Purchase Date, and (ii) during any Direct Purchase Period, on the date which is the fifth (5th) Business Day following receipt of notice given to the Borrower and the Bond Trustee from the Direct Purchaser that an event of default under the Bondholder Agreement has occurred and is continuing and directing a mandatory tender of the Direct Purchase Bonds.

Section 4.09. Mandatory Tender Upon Termination or Expiration of Liquidity Facility or Credit Facility. If a Liquidity Facility or Credit Facility has been delivered to the Bond Trustee in accordance with the provisions of the Loan Agreement, the Bonds supported by such Liquidity Facility or Credit Facility shall be subject to mandatory tender for purchase prior to the Noticed Termination Date or the Expiration Date, as applicable, for such Liquidity Facility or Credit Facility, on the dates determined pursuant to Section 4.17 hereof and as more particularly set forth in Section 4.17 hereof, at the Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable only upon surrender of such Bond to the Bond Trustee at its Corporate Trust Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Bond Trustee, executed in blank by the Holder thereof or by the Holder’s duly authorized attorney, at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in a notice provided to the Holders by the Bond Trustee. Any drawing upon a Liquidity Facility or Credit Facility to pay the Purchase Price of Bonds subject to mandatory tender in connection with the delivery of an Alternate Credit Facility or an Alternate Liquidity Facility shall be made upon the existing Credit Facility or Liquidity Facility and not upon the Alternate Credit Facility or Alternate Liquidity Facility.

Section 4.10. General Provisions Relating to Tenders.

(a) Creation of Bond Purchase Fund.

(i) There shall be created and established hereunder with the Bond Trustee a fund to be designated the “Series 2024C Bonds Bond Purchase Fund” (the “Bond Purchase Fund”) to be held in trust only for the benefit of the Holders of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds.

(ii) There shall be created and designated the following accounts within the Bond Purchase Fund: the “Remarketing Proceeds Account,” the “Liquidity Facility Account,” the “Credit Facility Account,” the “Borrower Purchase Account,” and the “Undelivered Bond Payment Account,” and within each such account, a sub-account for each sub-Series of Bonds if and as may be applicable. Moneys paid to the Bond Trustee for the purchase of tendered or deemed tendered Bonds received from (A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(i) hereof, (B) payments pursuant to a Liquidity Facility, if any, shall be deposited in the Liquidity Facility Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(ii) hereof, (C) payments pursuant to a Credit Facility, if any, shall be deposited in the Credit

Facility Account (and the sub-account) in accordance with the provisions of Section 4.10(d)(ii) hereof, and (D) the Borrower (but only when and if the Borrower is obligated to provide such funds or otherwise elects to provide such funds) shall be deposited in the Borrower Purchase Account (and any sub-account) in accordance with the provisions of Section 4.10(d)(iii) hereof. Moneys provided from payments made under a Liquidity Facility, if any, or Credit Facility, if any, not required to be used in connection with the purchase of tendered Bonds shall be returned to the applicable Liquidity Facility Provider or Credit Facility Provider in accordance with Section 4.10(d) and (e) hereof. Moneys provided by the Borrower not required to be used in connection with the purchase of tendered Bonds shall be returned to the Borrower in accordance with Sections 4.10(d) and (e) hereof.

(iii) Moneys in the Liquidity Facility Account, the Credit Facility Account, the Borrower Purchase Account, the Undelivered Bond Payment Account, and the Remarketing Proceeds Account shall not be commingled with other funds held by the Bond Trustee and shall remain uninvested in an Eligible Account and without liability for interest on the part of the Bond Trustee. "Eligible Account" shall mean an account that is maintained with the corporate trust department of a federal depository institution, trust company or state chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, has corporate trust powers and is acting in its fiduciary capacity. In the event that an account required to be an Eligible Account no longer complies with such requirement, the Bond Trustee should promptly upon having received notice of such event (and in any case, within not more than thirty (30) calendar days) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

(iv) At no time shall the Bond Trustee draw on a Liquidity Facility or Credit Facility (A) with respect to any Bonds operating in an Interest Rate Mode not covered by such Liquidity Facility or Credit Facility or (B) to pay the Purchase Price of any Bonds that are not Eligible Bonds.

(v) Neither the Borrower nor the Authority shall have any right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account or the Undelivered Bond Payment Account nor any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) Deposit of Bonds. The Bond Trustee agrees to hold all Bonds delivered to it pursuant to Sections 4.06, 4.07, 4.08 and 4.09 of this Bond Indenture in trust for the benefit of the respective Holders which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Holder in accordance with the provisions of this Bond Indenture and until such Bonds shall have been delivered by the Bond Trustee in accordance with Section 4.10(f) hereof.

(c) Remarketing of Bonds.

(i) Immediately upon its receipt, but not later than 11:30 a.m., New York City time, on the Purchase Date with respect to a notice pursuant to Section 4.06(a) hereof with respect to Daily Bonds, not later than 1:15 p.m. New York City time, on the Business Day following receipt from a Holder of a notice pursuant to Section 4.06(a) with respect to Two Day Bonds, and not later than 12:00 noon, New York City time, on the Business Day following receipt from a Holder of a notice pursuant to Section 4.06(a) hereof with respect to Weekly Bonds, the Bond Trustee shall notify the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower by Electronic Notice of such receipt, specifying the principal amount of Bonds for which it has received a notice pursuant to Section 4.06(a) of this Bond Indenture, the names of the Holders thereof, the date on which such Bonds are to be purchased in accordance with Section 4.06 hereof, the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof, and in no event later than 11:15 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, and in no event later than 10:15 a.m., New York City time, on the Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof and in no event later than 4:00 p.m., New York City time, on the last Business Day prior to the Mandatory Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.08 or 4.09 hereof, the Remarketing Agent shall inform the Bond Trustee by Electronic Notice, of the principal amount of Purchased Bonds for which the Remarketing Agent has identified prospective purchasers and of the name, and if known to the Remarketing Agent, address and taxpayer identification number of each such purchaser, the principal amount of Purchased Bonds to be purchased and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, the Bond Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent.

(iii) By 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, by 10:30 a.m., New York City time, on the Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 or 4.09 hereof, and by 11:30 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, the Bond Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Borrower by

Electronic Notice or telephone, promptly confirmed in writing, as to the aggregate Purchase Price of the Purchased Bonds and as to the projected Funding Amount.

The term “Funding Amount” means an amount equal to the difference between (1) the total Purchase Price of those Purchased Bonds to be purchased pursuant to Sections 4.06(a), 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 4.08 and 4.09 hereof, and (2) the Purchase Price of those Purchased Bonds to be purchased pursuant to Sections 4.06(a), 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), 4.08 or 4.09 hereof with respect to which the Remarketing Agent expects to transfer, or to cause to be transferred, immediately available funds to the Bond Trustee by 10:30 a.m., New York City time, on the Purchase Date in the case of the Weekly Bonds purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two day Bonds purchased pursuant to Section 4.06(a) hereof, and by 10:30 a.m., New York City time, on the Mandatory Purchase Date in the case of the Bonds purchased pursuant to Section 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), hereof for deposit in the Remarketing Proceeds Account pursuant to Section 4.10(d) hereof.

(iv) Upon receipt of any Electronic Notice or written notice of tender relating to Bonds bearing interest at a Window Rate pursuant to Section 4.06(a)(iv) hereof, the Bond Trustee shall, not later than 12:00 noon, New York City time, on the next Business Day, send notice of such tender to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, by Electronic Notice, including in such notice the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Window Rate Optional Purchase Date. The Bond Trustee shall give notice of such optional tender, including the principal amount of Bonds to be purchased (but not the name of the tendering Bondholder), by first class mail to the Holders not later than the second Business Day after receipt of a notice of optional tender by the Bond Trustee pursuant to this paragraph. If the Remarketing Agent identifies a purchaser for a Window Bond for which a notice of tender has been given during the period beginning on the Business Day such notice of tender is received by the Remarketing Agent and ending on the 30th day (or, if the 30th day is not a Business Day, the next succeeding Business Day) after such notice of tender is received by the Remarketing Agent (a “Remarketing Window”), the Remarketing Agent shall give Electronic Notice to the tendering Holder, the Borrower, the Bond Trustee and the Authority that a purchaser has been identified. Such notice shall designate the Window Rate Optional Purchase Date for such Bond, which shall be the earlier of (A) the last day of the Remarketing Window or (B) any Business Day that is at least seven days after such notice is received by the tendering Holder. The Bond Trustee shall purchase such Bond pursuant to Section 4.11(c) hereof on the Window Rate Optional Purchase Date at the Purchase Price, but only with remarketing proceeds or with any other amounts made available by the Borrower, in its sole discretion. If sufficient remarketing proceeds are not available for the purchase of such Bond on the Window Rate Optional Purchase Date, and amounts are not made available by the Borrower, in its sole discretion, for the purchase of such Bond on the Window Rate Optional

Purchase Date, then the Remarketing Agent’s designation of a Window Rate Optional Purchase Date for such Bond shall be deemed to be rescinded, such Bond shall not be tendered or deemed tendered or required to be purchased on such date and no Event of Default shall occur. The Remarketing Agent shall give Electronic Notice of such rescission to the tendering Holder, the Bond Trustee, the Authority and the Borrower as soon as practicable and in any event not later than the next succeeding Business Day.

(v) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with Sections 4.07, 4.08 or 4.09 hereof which are not presented to the Bond Trustee on the Mandatory Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to Section 4.06 hereof which are not presented to the Bond Trustee on the Purchase Date, shall be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) Deposits of Funds.

(i) The Bond Trustee shall deposit into the Remarketing Proceeds Account any amounts received by it in immediately available funds by 10:45 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 11:45 a.m., New York City time, on the Purchase Date in the case of Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, and by 10:45 a.m., New York City time, on any Purchase Date in the case of Bonds purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof from the Remarketing Agent (which amounts received from the remarketing of the Bonds the Remarketing Agent is hereby directed to deposit with the Bond Trustee by such times) against receipt of Bonds by the Remarketing Agent pursuant to Section 4.10(f) hereof and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) By 11:00 a.m., New York City time, on the Purchase Date in the case of Bonds purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, and by 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of the Liquidity Facility or the Credit Facility, as applicable) in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by noon, New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof, the Bond Trustee shall notify the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Direct Purchaser, if any, for the Purchased Bonds and the Borrower by Electronic Notice of the additional amount of funds, if any, required to be transferred to the Bond Trustee (the “Additional Funding

Amount”) which shall be the amount, if any, by which the total Purchase Price of the Purchased Bonds exceeds the sum of the amounts then on deposit in the Remarketing Proceeds Account. If a Liquidity Facility or Credit Facility is in effect with respect to the Purchased Bonds, the Bond Trustee shall, at or before (A) 11:00 a.m., New York City time, on the Purchase Date (or such other time as may be required to ensure the payment of funds by the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the Purchase Date in accordance with the terms of the Liquidity Facility or the Credit Facility, as applicable) with respect to Weekly Bonds to be purchased pursuant to Sections 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof; (B) 12:00 noon, New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof; and (C) 11:00 a.m., New York City time, on the Purchase Date with respect to Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x), present drafts for payment under the Liquidity Facility or Credit Facility, as may be applicable, in an amount equal to the Additional Funding Amount. The Liquidity Facility Provider or the Credit Facility Provider, as may be applicable, shall be required to provide such Additional Funding Amount, in immediately available funds, to the Bond Trustee no later than (1) 2:30 p.m., New York City time, on the Purchase Date with respect to Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bonds to be purchased pursuant to Sections 4.08 and 4.09 hereof, and (2) 2:30 p.m., New York City time, on the Purchase Date with respect to Daily Bonds or Two Day Bonds to be purchased pursuant to Section 4.06(a) hereof and Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof. The Bond Trustee shall deposit such amounts in the Liquidity Facility Account or Credit Facility Account, as applicable, depending on the source of such amounts. If more than one Liquidity Facility or Credit Facility is then in effect, the Bond Trustee shall establish a separate sub-account in the Liquidity Facility Account or Credit Facility Account, as applicable, for each Liquidity Facility or Credit Facility and apply the moneys in such sub-accounts solely to pay the Purchase Price of Purchased Bonds supported by such Liquidity Facility or Credit Facility.

(iii) The Borrower has agreed in Section 4.05 of the Loan Agreement that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by this Bond Indenture at the times required hereunder, it shall pay to the Bond Trustee the Additional Funding Amount in immediately available funds paid to the Bond Trustee at its Corporate Trust Office by 2:45 p.m., New York City time, within 370 days after the date on which the tendered Bonds are required to be purchased.

(iv) The Bond Trustee shall hold all proceeds received from the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, or the Borrower pursuant to this Section 4.10(d) hereof in trust for the tendering Bondholders. In holding such proceeds and moneys, the Bond Trustee will be acting on behalf of such Bondholders by facilitating purchases of

the Bonds and not on behalf of the Authority, any Liquidity Facility Provider, any Credit Facility Provider, or the Borrower, and will not be subject to the control of any of them. Subject to the provisions of Section 4.10(e) hereof, following the discharge of the lien created by this Bond Indenture or after payment in full of the Bonds, the Bond Trustee shall pay any moneys remaining in any account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Bond Trustee that such Person is rightfully entitled to such money, and the Bond Trustee shall not pay such amounts to any other Person.

(e) **Disbursements; Payment of Purchase Price.** Moneys delivered to the Bond Trustee on a Purchase Date shall be applied at or before 3:00 p.m., New York City time, on such Purchase Date (or on a later date as provided in Section 4.10(d)(iii) in the event the Credit Facility Provider or Liquidity Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under the Credit Facility or Liquidity Facility, as applicable, to pay the Purchase Price of tendered Bonds in connection with a Purchase Date) to pay the Purchase Price of Purchased Bonds that are delivered to the Bond Trustee at or prior to 10:00 a.m., New York City time, on such Purchase Date in accordance with Section 4.07(b), or at or prior to 11:00 a.m., New York City time, on such Purchase Date in accordance with Section 4.06(a), in immediately available funds, as follows in the indicated order of application and, to the extent not so applied, shall be held in the separate and segregated accounts of the Bond Purchase Fund for the benefit of the Holders of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account of the Bond Purchase Fund with respect to the Bonds (representing the proceeds of the remarketing by the Remarketing Agent with respect to the Bonds).

SECOND: Moneys, if any, deposited in the Liquidity Facility Account or the Credit Facility Account, as applicable, of the Bond Purchase Fund with respect to the Bonds (representing the proceeds of a drawing under such Liquidity Facility or Credit Facility).

THIRD: Moneys, if any, deposited in the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds (representing amounts paid by the Borrower to the Bond Trustee for the purchase of such Bonds).

Any moneys held by the Bond Trustee in the Borrower Purchase Account remaining unclaimed by the Holders of the Purchased Bonds which were to have been purchased on the 3 year anniversary of the Purchase Date, and after all amounts due and owing under the Bondholder Agreement, if any, have been paid, shall be paid to the Commonwealth in accordance with applicable escheat law or, upon the written request of the Borrower, to the Borrower, against written receipt therefor. The Holders of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Bond Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or to the extent moneys have been transferred in accordance with this Section to the Borrower or the Commonwealth, as applicable.

(f) Delivery of Purchased Bonds.

(i) The Remarketing Agent shall give Electronic Notice, promptly confirmed in writing, to the Bond Trustee on each date on which Bonds shall have been purchased pursuant to Sections 4.06, 4.07, 4.08 and 4.09 hereof, specifying the principal amount of such Bonds, if any, sold by the Remarketing Agent pursuant to Section 4.13(a) hereof along with a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and, if known to the Remarketing Agent, the addresses and social security or taxpayer identification numbers of such purchasers. By 10:30 a.m., New York City time, on any Purchase Date in the case of Weekly Bonds to be purchased pursuant to Section 4.06(a) hereof or any Bond to be purchased pursuant to Sections 4.08 and 4.09 hereof, and by 12:00 noon, New York City time, with respect to Daily Bonds or Two day Bonds to be purchased pursuant to Section 4.06(a) hereof, and by 10:30 a.m., New York City time, on the Purchase Date in the case of Bonds to be purchased pursuant to Sections 4.07(a)(ii), (iii), (v), (vi), (vii), (viii), (ix) and (x) hereof, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Bond Trustee to the Remarketing Agent against payment therefor in immediately available funds. The Bond Trustee shall prepare each Bond to be so delivered in such names as directed by the Remarketing Agent pursuant to Section 4.10(c)(ii) hereof.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Liquidity Facility Account, if any, or the Credit Facility Account, if any, shall be delivered on the day of purchase by the Bond Trustee to or as directed by the Liquidity Facility Provider or the Credit Facility Provider, as applicable. The Bond Trustee shall register such Bonds in the name of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, or as otherwise provided in the Liquidity Facility or the Credit Facility Agreement.

(iii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Borrower Purchase Account, if any, shall be delivered on the day of such purchase by the Bond Trustee to or as directed by the Borrower. The Bond Trustee shall register such Bonds in the name of the Borrower or as otherwise directed by the Borrower.

Section 4.11. Notice of Tender.

(a) Simultaneously with the giving (pursuant to Section 4.07(e) hereof) of notice of any mandatory tender of Bonds pursuant to Section 4.07(a) hereof, the Bond Trustee shall give Electronic Notice, promptly confirmed by a written notice, to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Liquidity Facility Provider, if any, specifying the applicable Mandatory Purchase Date, the aggregate principal amount and Purchase Price of Bonds subject to mandatory tender on such

Mandatory Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Bonds to such Mandatory Purchase Date.

(b) On each Purchase Date, the Bond Trustee shall determine the Additional Funding Amount, if any, at the times required by Section 4.10(d)(ii); and

(i) If a Liquidity Facility is in effect with respect to the Bonds on such Purchase Date, then (a) the Bond Trustee shall draw upon the Liquidity Facility at the times required by Section 4.10(d)(ii) moneys for the purchase of Bonds in the amount equal to the Additional Funding Amount by submitting to such Liquidity Facility Provider in accordance with such Liquidity Facility all such documents as are required for such purpose, and (b) the Bond Trustee shall deposit the proceeds of such drawing upon the Liquidity Facility received by the Bond Trustee from the Liquidity Facility Provider into the Liquidity Facility Account of the Bond Purchase Fund with respect to the Bonds (for purposes of this paragraph (i), if the Credit Facility, if any, is also serving as a Liquidity Facility, references in this paragraph to Liquidity Facility shall be deemed to refer to Credit Facility) on the Purchase Date at the times required by Section 4.10(d)(ii); or

(ii) If the Borrower is obligated under the Loan Agreement or the terms of this Bond Indenture to provide the Purchase Price therefor, or the Borrower otherwise elects in its sole discretion to provide the Purchase Price therefor, then the Bond Trustee shall notify the Borrower at the times required by Section 4.10(d)(ii) that the amount of such excess is the amount payable by the Borrower to the Bond Trustee pursuant to Section 4.10(d)(iii) for purposes of causing the Bond Trustee to purchase, on behalf of the Borrower, Bonds having a Purchase Price equal to such excess and, thereby, for the Bond Trustee to have sufficient funds to pay the Purchase Price of all Bonds subject to purchase on such Purchase Date or, in the event Bonds bearing interest at a Daily Rate or a Weekly Rate are secured by a Liquidity Facility or a Credit Facility constituting a direct-pay letter of credit, and the Liquidity Provider or the Credit Facility Provider, as applicable, fails to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit Facility, as applicable, to pay the Purchase Price of tendered Bonds in connection with a Purchase Date, within 370 days after the date on which the tendered Bonds are required to be purchased. The Bond Trustee shall deposit the amount received by the Bond Trustee from the Borrower for such purpose into the Borrower Purchase Account of the Bond Purchase Fund in accordance with Section 4.10(d)(iii); or

(iii) Notwithstanding anything to the contrary contained herein, if by 10:30 a.m., New York City time, on a Window Rate Optional Purchase Date, the Remarketing Agent despite its best efforts has been unable to remarket the Bonds to be purchased on such Window Rate Optional Purchase Date at par and the Borrower, in its sole discretion, has not provided amounts for the purchase of such Bonds on the Window Rate Optional Purchase Date: (A) the Remarketing Agent shall deliver Electronic Notice to the Bond Trustee, the Calculation Agent, the Borrower, and the Authority by 10:45 a.m., New York City time, that such Window

Rate Optional Purchase Date is deemed rescinded and that such failure shall not constitute an Event of Default and shall include in such notice the principal amount of such Bonds that will not be purchased on such Purchase Date; and (B) the Bond Trustee shall promptly provide written notice to each Rating Agency of such rescission. If for any reason a Bond for which a notice of tender for purchase pursuant to Section 4.06(a)(iv) hereof has been delivered is not purchased by the last day of the applicable Remarketing Window, then (1) all such Bonds bearing interest at a Window Rate shall be subject to mandatory tender for purchase on the last day of the Mandatory Purchase Window (or, if the last day is not a Business Day, the next succeeding Business Day) after such notice is received by the Remarketing Agent (a "Window Rate Mandatory Purchase Date") at the Purchase Price, payable in immediately available funds, and (2) the Remarketing Agent shall give notice of such Window Rate Mandatory Purchase Date to the Bond Trustee by Electronic Notice no later than the second Business Day after the end of the applicable Remarketing Window. The Bond Trustee shall give Electronic Notice of the Window Rate Mandatory Purchase Date to the Holders of the Bonds, the Borrower, the Authority, the Liquidity Facility Provider, if any, and the Credit Facility Provider, if any, not later than the second Business Day after receiving notice of such Window Rate Mandatory Purchase Date from the Remarketing Agent. The failure to pay the Purchase Price of all tendered Window Bonds when due and payable on a Window Rate Mandatory Purchase Date shall constitute an Event of Default. Notwithstanding the foregoing provisions of this paragraph, the Bonds shall not be subject to mandatory tender for purchase on a Window Rate Mandatory Purchase Date if they are otherwise subject to mandatory tender for purchase pursuant to Section 4.07 hereof after the last day of the Remarketing Window and before such Window Rate Mandatory Purchase Date.

(c) [Reserved].

(d) Any moneys remaining in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account, or the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds and representing (but not exceeding) the Purchase Price of Bonds subject to purchase on the applicable Purchase Date but not tendered and delivered for purchase on the applicable Purchase Date (following the payments from such Bond Purchase Fund described in Section 4.10(e) hereof), shall be transferred by the Bond Trustee to the Undelivered Bond Payment Account of such Bond Purchase Fund not later than 3:30 p.m., New York City time, on the applicable Purchase Date (and retained therein, subject to this Section 4.11, for application in accordance with Section 4.11(e) hereof). Any moneys remaining in the Remarketing Proceeds Account, the Liquidity Facility Account, the Credit Facility Account, and the Borrower Purchase Account of the Bond Purchase Fund with respect to the Bonds on the applicable Purchase Date (after the payments from such Bond Purchase Fund described in Section 4.10(e) hereof and the transfer described in the preceding sentence of this Section 4.11(d)) shall be wire transferred by the Bond Trustee, in immediately available funds, prior to the close of business on such Purchase Date, to the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower, respectively.

(e) Moneys transferred to the Undelivered Bond Payment Account of the Bond Purchase Fund with respect to the Bonds on any Purchase Date shall be applied, on or after such Purchase Date, by the Bond Trustee to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Bonds to the Bond Trustee for such purpose.

Section 4.12. Irrevocable Notice Deemed to be Tender of Bond; Undelivered Bonds.

(a) The giving of notice by a Holder of a Bond as provided in Section 4.06(a) hereof shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Bond Trustee for purchase on the relevant Purchase Date as provided in this Article IV.

(b) The Bond Trustee may refuse to accept delivery of any such Bonds for which a proper instrument of transfer has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. For purposes of this Article IV, the Bond Trustee shall determine timely and proper delivery of such Bonds and the proper endorsement of such Bonds. Such determination shall be binding on the Holders of such Bonds, the Borrower and the Remarketing Agent, absent manifest error. If any Holder of a Bond who shall have given notice of tender of purchase pursuant to Section 4.06(a) hereof or any Holder of a Bond subject to mandatory tender for purchase pursuant to Sections 4.07, 4.08 or 4.09 hereof shall fail to deliver such Bond to the Bond Trustee at the place and on the applicable Purchase Date and at the time specified in its notice or in the notice provided to the Holder, as applicable, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the Holder thereof on the Purchase Date and at the time specified, from and after the Purchase Date and time of that required delivery, (1) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this Bond Indenture; (2) interest shall no longer accrue thereon; and (3) funds in the amount of the Purchase Price of the Undelivered Bond shall be held by the Bond Trustee in the Undelivered Bond Payment Account for the benefit of the Holder thereof (provided that the Holder shall have no right to any investment earnings thereon), to be paid on delivery of the Undelivered Bond to the Bond Trustee at its Corporate Trust Office. Any funds held by the Bond Trustee in the Undelivered Bond Payment Account as described in clause (3) of the preceding sentence shall be held uninvested and not commingled.

Section 4.13. Remarketing of Bonds; Notice of Interest Rates.

(a) Upon a mandatory tender or notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the date of such purchase in accordance with this Article IV at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase Date up to the Maximum Interest Rate. In connection with any remarketing of Bonds upon a mandatory tender thereof, such remarketing may be, with respect to such Bonds, in whole or with respect to a portion thereof, as directed by the Borrower. No Bonds that have been

tendered pursuant to Section 4.09 hereof shall be remarketed as Weekly Bonds, Two Day Bonds or Daily Bonds unless and until (i) the Liquidity Facility or Credit Facility, if applicable, has been reinstated or extended for such Bonds; (ii) an Alternate Liquidity Facility or Alternate Credit Facility has been provided for such Bonds; or (iii) the Borrower has agreed to provide a Self-Liquidity Arrangement for such Bonds.

(b) The Remarketing Agent shall offer for sale and use its best efforts to sell Liquidity Facility Bonds and Credit Facility Bonds at a price equal to the principal amount thereof plus accrued interest to the Purchase Date up to the Maximum Interest Rate. On such a Purchase Date, the proceeds of the remarketing of such Liquidity Facility Bonds or Credit Facility Bonds shall be received by the Bond Trustee on behalf of the applicable Liquidity Facility Provider or Credit Facility Provider and paid in immediately available funds to the applicable Liquidity Facility Provider or Credit Facility Provider on such Purchase Date. On such a Purchase Date, the applicable Liquidity Facility Provider or Credit Facility Provider shall notify the Bond Trustee of the Differential Interest Amount. The Bond Trustee shall pay the Differential Interest Amount to the Liquidity Facility Provider or the Credit Facility Provider, as applicable, on the date of remarketing, but only from funds available under this Bond Indenture or otherwise provided by the Borrower. Liquidity Facility Bonds or Credit Facility Bonds shall not be delivered upon remarketing unless the Bond Trustee shall have received Electronic Notice from the Liquidity Facility Provider or the Credit Facility Provider that the Liquidity Facility or the Credit Facility, as applicable, has been reinstated in accordance with its terms to the full amount of the then Required Stated Amount.

(c) The Remarketing Agent shall not knowingly remarket Bonds to the Authority, the Borrower or any affiliate thereof.

Section 4.14. The Remarketing Agent. The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it hereby. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it hereunder by entering into a Remarketing Agreement under which the Remarketing Agent will agree to:

(a) determine the interest rates applicable to the Bonds and give notice to the Bond Trustee of such rates and periods in accordance with Article II hereof;

(b) keep such books and records as shall be consistent with prudent industry practice; and

(c) use its best efforts to remarket the Bonds in accordance with this Bond Indenture.

The Remarketing Agent shall hold all amounts received by it in accordance with any remarketing of the Bonds pursuant to Section 4.13 hereof for the benefit of the Holders of such tendered Bonds and shall transfer such amounts to the Bond Trustee for deposit to the Remarketing Proceeds Account created hereunder.

Section 4.15. Qualifications of Remarketing Agent; Resignation; Removal.

(a) Any Remarketing Agent shall (i) be a member of the Financial Industry Regulatory Authority or shall be a commercial bank, a national banking association or a trust company, having a combined capital stock, surplus and undivided profits of at least \$15,000,000, and (ii) be authorized by law to perform all the duties imposed upon it by this Bond Indenture.

(b) The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Bond Indenture by giving Electronic Notice to the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Borrower. Such resignation shall take effect not earlier than the 30th day after the receipt by the Borrower of the notice of resignation. The Remarketing Agent may be removed at the direction of the Borrower at any time on 30 days prior Electronic Notice, by an instrument signed by the Borrower, filed with the Remarketing Agent, the applicable Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bond Trustee. In the event that a successor Remarketing Agent has not been appointed by the Borrower within 30 days following the notice of resignation or removal of the Remarketing Agent, the notice period for resignation or removal shall be extended for an additional 30 days, but in no event shall such notice period, including any such 30 day extension, be longer than 60 days.

Section 4.16. Successor Remarketing Agents.

(a) Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Remarketing Agent hereunder.

(b) In the event that the Remarketing Agent has given notice of resignation or has been notified of its impending removal in accordance with Section 4.15(b) hereof, the Borrower shall appoint a successor Remarketing Agent that meets the requirements of Section 4.15(a) above.

(c) In the event that the Remarketing Agent shall resign, be removed or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Borrower shall not have appointed its successor, and, if no appointment is made within 30 days, the Authority shall apply to a court of competent jurisdiction for such appointment. Nothing herein shall require any Remarketing Agent that has resigned or been removed to remain as Remarketing Agent beyond the notice period required by Section 4.15(b) hereof.

Section 4.17. Termination of Liquidity Facility or Credit Facility Prior to Expiration Date; Purchase by Liquidity Facility Provider or Credit Facility Provider; Notices.

(a) The obligation of the Liquidity Facility Provider to provide funds for the purchase of tendered Bonds pursuant to the Liquidity Facility may be terminated or

suspended automatically and without prior notice upon the occurrence of certain defaults as shall be set forth in the Liquidity Facility.

(b) If an Immediate Termination Date of the Liquidity Facility occurs, the Bond Trustee shall as soon as practicable upon receiving written notice thereof provide Electronic Notice to the Borrower, the Remarketing Agent, the Credit Facility Provider, if any, and the Holders of all Outstanding Bonds the payment of the Purchase Price of which is supported by such Liquidity Facility that the Liquidity Facility has been terminated effective as of such Immediate Termination Date and the reasons therefor, that the Bond Trustee will no longer be able to draw on the Liquidity Facility to purchase Bonds and the Liquidity Facility Provider will be under no obligation to advance funds or to purchase Bonds under the Liquidity Facility; provided, however, that if the Bond Trustee is unable to provide Electronic Notice to the Bondholders because it does not have the necessary contact information to do so, it shall provide written notice to the Bondholders.

(c) Following the Noticed Termination Date, the Bond Trustee will no longer be able to draw on the Liquidity Facility or Credit Facility, as applicable, to purchase Bonds. Promptly upon the receipt of notice of the proposed Noticed Termination Date from the Liquidity Facility Provider or the Credit Facility Provider, as applicable, but in no event more than three Business Days after receipt, the Bond Trustee shall provide Electronic Notice to the Borrower, the Remarketing Agent, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, and the Holders of all Outstanding Bonds supported by such Liquidity Facility or Credit Facility, as applicable, of the Noticed Termination Date and the proposed Mandatory Purchase Date for such Bonds, which Purchase Date shall be no later than five days prior to the Noticed Termination Date; provided, however, that if the Bond Trustee is unable to provide Electronic Notice to the Bondholders because it does not have the necessary contact information to do so, it shall provide written notice to the Bondholders. In addition, at least 14 days prior to the Expiration Date of the Liquidity Facility or Credit Facility, as may be applicable, the Bond Trustee shall also give notice to the Holders of Outstanding Bonds of the Expiration Date for the Liquidity Facility or the Credit Facility and the proposed Mandatory Purchase Date for such Bonds, which shall be no later than one Business Day prior to the Expiration Date, or, in the case of a delivery of an Alternate Liquidity Facility or an Alternate Credit Facility, shall be the effective date of delivery of, and acceptance by the Bond Trustee of, such Alternate Liquidity Facility or Alternate Credit Facility. Each such notice shall be given by Electronic Means and first class mail and shall (i) state that the Bond Trustee may no longer draw on the Liquidity Facility or Credit Facility (and the Liquidity Facility Provider or Credit Facility Provider will have no obligation) to purchase (or provide funds for the purchase of) Bonds after the proposed Noticed Termination Date or the Expiration Date, as the case may be, (ii) specify the Noticed Termination Date or the Expiration Date, as the case may be and the applicable Mandatory Purchase Date, (iii) state that the Eligible Bonds are subject to mandatory tender for purchase on the applicable Mandatory Purchase Date, (iv) specify, if, but only if applicable, that the Borrower will be the only party obligated to purchase Eligible Bonds after the Noticed Termination Date or the Expiration Date, and (v) state that all Eligible Bonds (if subject to mandatory purchase) must be delivered for purchase to the Bond Trustee and that on such Mandatory Purchase Date, the Bond Trustee expects to hold moneys equal to the Purchase Price for all Eligible Bonds in trust for the

Holders of such Eligible Bonds, which moneys will be paid upon surrender of such Eligible Bonds to the Bond Trustee. Any notice given substantially as provided in this subsection (c) shall be conclusively presumed to have been duly given, whether or not actually received by each Bondholder.

(d) Upon receipt of the notice specified in (c) above, and if said notice provides that all Eligible Bonds are subject to mandatory purchase, all Holders of Outstanding Eligible Bonds shall be required to tender their Bonds to the Bond Trustee for purchase on such Mandatory Purchase Date. In addition, in the event that a Holder of Bonds has delivered a tender notice pursuant to Section 4.06(a) on or prior to the date on which the Liquidity Facility Provider or Credit Facility Provider has sent notice to the Bond Trustee of the proposed Noticed Termination Date or the Expiration Date with a Purchase Date to occur on or after the date of such notice (but prior to the Noticed Termination Date or the Expiration Date), the Bonds to which such tender notice relates shall be purchased by the Bond Trustee on such Purchase Date. Any Eligible Bond so delivered shall be purchased by the Bond Trustee at a Purchase Price equal to the principal amount thereof plus accrued interest to the Purchase Date (unless such date is an Interest Payment Date, in which case the Purchase Price will be the principal amount of such Bond).

Section 4.18. Insufficient Funds for the Payment of Purchase Price.

(a) If the funds available for the purchase of Bonds subject to purchase on a Purchase Date are insufficient to purchase all of such Bonds on such Purchase Date (including Undelivered Bonds), then no purchase of any Bond shall occur on such Purchase Date and, on such Purchase Date, the Bond Trustee shall (i) return all of such Bonds that were tendered to the Holders thereof, and (ii) return all moneys received by the Bond Trustee for the purchase of such Bonds to the respective Persons that provided such moneys (in the respective amounts in which such moneys were so provided).

(b) The failure to purchase Bonds on a Purchase Date shall constitute an Event of Default, provided, however, the failure to purchase Bonds on any of the following dates or events shall not constitute an Event of Default: (i) a Window Rate Optional Purchase Date; (ii) in connection with a VRO Interest Rate Period Failed Remarketing Event; (iii) a Borrower Elective Purchase Date; (iv) an FRN Rate Soft Put Mandatory Purchase Date; and (v) a Conversion from Bonds operating in the Fixed Period. Provided, further, that failure of the Borrower to pay when due the Additional Funding Amount pursuant to Section 4.10(d)(iii) hereof and Section 4.05 of the Loan Agreement in connection with a Purchase Date while the Bonds bear interest at a Daily Rate or Weekly Rate and are supported by a Liquidity Facility or a Credit Facility, as applicable, shall not constitute an Event of Default or a Loan Default Event if (i) the failure is the result of failure of the Liquidity Facility Provider or the Credit Facility Provider, as applicable, to honor a properly presented and conforming drawing under the Liquidity Facility or the Credit Facility, as applicable, to pay the Purchase Price of the tendered Bonds and (ii) the Additional Funding Amount required to pay the Purchase Price of the tendered Bonds with respect to which the failure occurred is deposited with the Bond Trustee and applied to pay the Purchase Price of the tendered Bonds, within 370 days after the date on which such tendered Bonds were required to be purchased.

(c) Subject to the provisions of paragraphs (d) through (i) below, if Bonds are not purchased when required pursuant to Section 4.06(a) hereof or Section 4.07(a) hereof, all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all of such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture.

(d) If Daily Bonds, Two Day Bonds or Weekly Bonds are not purchased on a Borrower Elective Purchase Date, then such Daily Bonds, Two Day Bonds or Weekly Bonds shall continue to bear interest at a Daily Rate, Two Day Rate or Weekly Rate, as applicable, as determined as provided in Sections 2.04, 2.05 and 2.06 hereof, respectively.

(e) If FRN Rate Soft Put Bonds are not purchased on an FRN Rate Soft Put Mandatory Purchase Date, the FRN Rate Soft Put Bonds shall bear interest at the FRN Rate, calculated with an FRN Spread equal to 400 basis points (4%) or such other FRN Spread as may be specified in connection with a Conversion to an FRN Interest Rate Period, or, if less, the Maximum Interest Rate, from such FRN Rate Soft Put Mandatory Purchase Date until such time, if any, as all of the FRN Rate Soft Put Bonds are remarketed.

(f) If Window Bonds are not purchased on a Window Rate Optional Purchase Date or on a Borrower Elective Purchase Date, then such Window Bonds shall continue to bear interest as determined in accordance with Section 2.12 hereof.

(g) If VRO Bonds are not purchased on a VRO Interest Rate Period Purchase Date, then such VRO Bonds shall continue to bear interest as determined in accordance with Section 2.11 hereof.

(h) If Fixed Bonds are not purchased on a Purchase Date related to a Conversion of such Bonds, then such Fixed Bonds shall continue to bear interest at the interest rates in effect prior to such proposed Conversion Date.

(i) Notwithstanding the foregoing, if Bonds bearing interest at a Daily Rate or a Weekly Rate are not purchased when required due to the Liquidity Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the Bonds pursuant to a Liquidity Facility (that is not also a Credit Facility), all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture. During such period that the Bonds bear interest at the Maximum Interest Rate, the applicable Remarketing Agent shall resume setting the Daily Rate on the applicable Purchase Date, as set forth in Section 2.04, and will continue to set the Weekly Rate, as set forth in Section 2.06, although the interest rate on the Bonds will be the Maximum Interest Rate until such unpurchased Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket Bonds during such period, unless the Remarketing Agent agrees in its sole discretion, at the request of the Borrower, and can cease such remarketing at the Remarketing Agent's sole option. The Bond Trustee shall continue to take all such action available to it to obtain funds from the applicable Liquidity Facility Provider, the

Remarketing Agent or the Borrower to pay the Purchase Price of such tendered Bonds. When the Bond Trustee has received sufficient funds to pay the Purchase Price of the tendered Bonds, the Bond Trustee must immediately notify the Holders and the Holders must surrender their Bonds to the Bond Trustee for payment of the Purchase Price of such tendered Bonds.

(j) Notwithstanding the foregoing, if Bonds bearing interest at a Daily Rate or a Weekly Rate are not purchased when required due to the Credit Facility Provider failing to honor a properly conforming draw to pay the Purchase Price of the Bonds pursuant to a Credit Facility constituting a direct-pay letter of credit, all of the Bonds shall bear interest at the Maximum Interest Rate from such Purchase Date until such date that all such unpurchased Bonds have been purchased or payment of the principal of and interest thereon has otherwise been made in accordance with this Bond Indenture. During such period that the Bonds bear interest at the Maximum Interest Rate, the applicable Remarketing Agent shall resume setting the Daily Rate on the applicable Purchase Date, as set forth in Section 2.04, and will continue to set the Weekly Rate, as set forth in Section 2.06, although the interest rate on the Bonds will be the Maximum Interest Rate until such unpurchased Bonds have been purchased. The Remarketing Agent shall have no obligation to remarket Bonds during such period, unless the Remarketing Agent agrees in its sole discretion, at the request of the Borrower, and can cease such remarketing at the Remarketing Agent's sole option. The Bond Trustee shall continue to take all such action available to it to obtain funds from the applicable Credit Facility Provider, the Remarketing Agent or the Borrower to pay the Purchase Price of such tendered Bonds. When the Bond Trustee has received sufficient funds to pay the Purchase Price of the tendered Bonds, the Bond Trustee must immediately notify the Holders and the Holders must surrender their Bonds to the Bond Trustee for payment of the Purchase Price of such tendered Bonds.

Section 4.19. Liquidity Facility; Self-Liquidity Arrangement; Alternate Liquidity Facility.

(a) The Borrower may provide for delivery to the Bond Trustee of a Liquidity Facility pursuant to the provisions of Section 5.04 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement.

(b) Prior to the expiration or termination of a Liquidity Facility in accordance with the terms of that Liquidity Facility, the Borrower may provide for the delivery to the Bond Trustee of an Alternate Liquidity Facility pursuant to Section 5.04 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement. Any Alternate Liquidity Facility or Self-Liquidity Arrangement delivered to the Bond Trustee pursuant to this Section 4.19(b) shall meet the requirements of Section 5.04 of the Loan Agreement (Section 5.05 of the Loan Agreement in the case of the Self-Liquidity Arrangement) and shall be delivered as provided in the Loan Agreement and shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent.

(c) If at any time there is delivered to the Bond Trustee (i) an Alternate Liquidity Facility or Self-Liquidity Arrangement, (ii) the information, opinions and data

required by Section 5.04 or 5.05 of the Loan Agreement, as the case may be, and (iii) all information required to give the notice of mandatory tender for purchase of the Bonds, then the Bond Trustee shall accept such Alternate Liquidity Facility or Self-Liquidity Arrangement. The Bond Trustee shall surrender the Liquidity Facility pursuant to Section 4.19(d) hereof.

(d) If an Alternate Liquidity Facility or a Self-Liquidity Arrangement is delivered to the Bond Trustee and accepted pursuant to this Section 4.19, then the Bond Trustee shall surrender the existing Liquidity Facility for cancellation; provided that no Liquidity Facility shall be surrendered until after the date on which Purchased Bonds have been purchased or deemed purchased in accordance with the provisions of this Bond Indenture. If a Liquidity Facility terminates or is no longer required to be maintained hereunder, the Bond Trustee shall surrender such Liquidity Facility to the Liquidity Facility Provider for cancellation in accordance with the terms of the Liquidity Facility. Upon the defeasance of the Bonds pursuant to this Bond Indenture and if, at such time, the Bonds are no longer subject to tender for purchase, the Bond Trustee shall surrender the Liquidity Facility, if any, to the Liquidity Facility Provider for cancellation in accordance with the terms of the Liquidity Facility. The Bond Trustee shall comply with the procedures set forth in each Liquidity Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Liquidity Facility in accordance with the provisions thereof.

Section 4.20. Credit Facility; Self-Liquidity Arrangement; Alternate Credit Facility; Delivery of Credit Facility to Replace Liquidity Facility or Self-Liquidity Arrangement; Surrender of Credit Facility.

(a) The Borrower may provide for the delivery to the Bond Trustee a Credit Facility pursuant to Section 5.06 of the Loan Agreement or a Self-Liquidity Arrangement pursuant to Section 5.05 of the Loan Agreement.

(b) If there is delivered to the Bond Trustee (i) an Alternate Credit Facility covering the Bonds in accordance with Section 5.06 of the Loan Agreement, (ii) a Favorable Opinion of Bond Counsel with respect to the Series 2024C Bonds, and (iii) if the Credit Facility then in effect with respect to the Bonds does not cover premiums due on the Bonds, and the Bonds would be subject to mandatory tender for purchase at a Purchase Price in excess of the principal amount thereof plus accrued and unpaid interest thereon to but not including the date of purchase, Eligible Moneys in an amount sufficient to pay the premium due on the Bonds, then the Bond Trustee shall accept such Alternate Credit Facility.

(c) If a Liquidity Facility or a Self-Liquidity Arrangement is in effect with respect to the Bonds, a Credit Facility covering the Bonds may be delivered to the Bond Trustee if all of the conditions set forth in the immediately preceding paragraph regarding the delivery of an Alternate Credit Facility for the Bonds are satisfied.

(d) If an Alternate Credit Facility or Self-Liquidity Arrangement is delivered to the Bond Trustee and accepted pursuant to this Section 4.20, then the Bond Trustee shall

surrender the existing Credit Facility for cancellation; provided that no Credit Facility shall be surrendered until after the date on which Purchased Bonds have been purchased or deemed purchased in accordance with the provisions of this Bond Indenture. If a Credit Facility terminates or is no longer required to be maintained hereunder, the Bond Trustee shall surrender such Credit Facility to the Credit Facility Provider for cancellation in accordance with the terms of the Credit Facility. Upon the defeasance of the Bonds pursuant to this Bond Indenture and if, at such time, the Bonds are no longer subject to tender for purchase, the Bond Trustee shall surrender the Credit Facility, if any, to the Credit Facility Provider for cancellation in accordance with the terms of the Credit Facility. The Bond Trustee shall comply with the procedures set forth in each Credit Facility relating to the termination thereof and shall deliver any certificates reducing the stated amount of the Credit Facility in accordance with the provisions thereof.

ARTICLE V
FUNDS AND ACCOUNTS

Section 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Authority hereby pledges and assigns to the Bond Trustee all of the Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Bond Indenture (except the Bond Purchase Fund) to secure, first, the payment of the principal, Redemption Price and Purchase Price of and interest on the Bonds (including, without limitation, Liquidity Facility Bonds and Credit Facility Bonds) in accordance with their terms and the provisions of this Bond Indenture and, second, the payment of Reimbursement Obligations and the performance and observance of the obligations of the Borrower under any Credit Facility or Liquidity Facility.

(b) The Authority hereby transfers in trust, grants a security interest in and lien and charge on and assigns to the Bond Trustee, for the benefit of the Owners from time to time of the Bonds (including, without limitation, Liquidity Facility Bonds and Credit Facility Bonds) and for the benefit of any Credit Facility Provider or any Liquidity Facility Provider with respect to Reimbursement Obligations, all of the Revenues and other assets pledged in subsection (a) of this Section and all of the right, title and interest of the Authority in the Loan Agreement (except for the right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Unassigned Rights) and the Master Note. The Authority will also cause the Master Note to be registered in the name of the Bond Trustee. The Bond Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Bond Trustee and shall forthwith be paid by the Authority to the Bond Trustee. The Bond Trustee also shall be entitled to and may take all steps, actions and proceedings reasonably necessary in its good faith judgment to enforce all of the rights of the Authority and all of the obligations of the Borrower under the Loan Agreement and the Master Note. Notwithstanding the foregoing, any Revenues transferred by the Borrower directly to a Credit Facility Provider pursuant to a Credit Facility or to a Liquidity Facility Provider

pursuant to a Liquidity Facility shall not be required to be collected and received by the Bond Trustee and the Bond Trustee shall have no duty to collect and receive such Revenues.

Section 5.02. Project Fund.

(a) Creation of Project Fund. A special fund is hereby created and designated “Series 2024C Project Fund” (herein called the “Project Fund”) and shall be maintained under this Bond Indenture, to the credit of which such deposits of a portion of the proceeds of the Bonds shall be made. The Expenses Account is created within the Project Fund.

The moneys in the Project Fund shall be held by the Bond Trustee. The moneys in the Project Fund shall be applied to the payment of all Costs of the Project (including the costs of the Refunding Project) and, pending such application, shall be subject to a lien and charge in favor of the Bond Trustee on behalf of the holders of the Bonds issued and Outstanding under this Bond Indenture and for the further security of such holders until paid out or transferred as herein provided. Any funds remaining in the Project Fund upon delivery of the Completion Certificate shall be transferred pro rata based upon the aggregate principal amount of each series of Bonds outstanding to each Interest Fund. Any funds remaining in the Expenses Account after paying all costs of issuance and related costs shall be transferred in the same manner.

(b) Use of Project Fund Moneys. Payment of the Costs of the Project (including the costs of the Refunding Project) shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article. Moneys in the Project Fund may be invested as permitted by Section 5.08 hereof.

(c) Payments from Project Fund. Moneys in the Project Fund shall be disbursed only upon the direction of the Borrower, pursuant to a requisition signed by the Borrower, substantially in the form of Exhibit C hereof, solely to pay the Costs of the Project (including the costs of the Refunding Project). The Bond Trustee shall have no duty to review invoices or to verify that the person being paid pursuant to a requisition has performed the work or services or that the Borrower has received the items for which such person is being paid, or that there are adequate funds to complete the Capital Project.

(d) Reliance Upon Requisitions. All requisitions and opinions received by the Bond Trustee as conditions of payment from the Project Fund may be conclusively relied upon by the Bond Trustee and shall be retained by the Bond Trustee until the sixth anniversary of the completion date, subject at all reasonable times upon reasonable notice to the Bond Trustee to examination by the Authority and the Holders of not less than twenty- five percent (25%) in aggregate principal amount of the Bonds Outstanding.

(e) Initial Disposition of Bond Proceeds. On the Closing Date, the Bond Trustee shall deposit the net proceeds of the Series 2024C Bonds in the amount of \$[____], as evidenced by the Closing Statement, to the Project Fund and apply such proceeds as follows:

- (i) Retain \$[____] in the Project Fund;

(ii) Transfer \$[____] from the Project Fund to the Borrower for reimbursement of prior expenditures related to the Capital Project;

(iii) Transfer the following amounts with respect to the Refunding Project:

(A) \$[____] shall be transferred to The Bank of New York Mellon Trust Company, N.A., as trustee of the TJU 2015H Bonds, to pay the principal of, premium if any and interest on the TJU 2015H Bonds, plus fees and expenses, on the redemption date of such bonds, pursuant to written instructions delivered by the Authority to the Trustee; and

(B) \$[____] shall be transferred to PNC Bank, National Association, as lender of the LVHN 2022 Term Loan, to pay the principal of, premium, if any, and interest of the LVHN 2022 Term Loan on the Date of Issuance, pursuant to written instructions delivered by the Authority to the Trustee;

(iv) \$[____] shall be transferred to the Borrower to fund certain capitalized costs in connection with Health Partners Plans, Inc.; and

(v) Transfer \$[____] from the Project Fund to the Expenses Account to be applied for the payment of costs related to the issuance of the Bonds.

Section 5.03. Revenue Fund.

(a) All Revenues shall be promptly deposited by the Bond Trustee upon receipt thereof in a special fund designated as the “Revenue Fund,” which the Bond Trustee shall establish, maintain and hold in trust. The Bond Trustee shall also establish and maintain a separate subaccount for each series of Bonds within the Revenue Fund. All Revenues deposited with the Bond Trustee shall be held, disbursed, allocated and applied by the Bond Trustee only as provided in this Bond Indenture.

(b) If, on the date any Loan Repayment or payment upon the Master Note is due, the Bond Trustee does not receive such payment, the Bond Trustee immediately shall request the Master Trustee to give immediate Electronic Notice or telephonic notice promptly confirmed in writing to the Borrower of the nonpayment.

(c) During the period that any of the Bonds are supported by a Credit Facility, all payments on the Eligible Bonds shall be made, to the extent available, first from draws on the Credit Facility, which shall be deposited directly in the Credit Facility Interest Account of the Interest Fund, the Credit Facility Principal Account of the Bond Sinking Fund or the Credit Facility Redemption Account of the Optional Redemption Fund, as the case may be. Principal or Redemption Price of and interest on non-Eligible Bonds may be paid from moneys other than Eligible Moneys. The Bond Trustee is hereby instructed to draw amounts under the Credit Facility at such times hereinafter set forth and pursuant to draw requests submitted at such times so as to assure that Eligible Moneys will be available

to make when due all payments of principal of and interest on the Eligible Bonds. The foregoing notwithstanding, Loan Repayments or payments on the Master Note to be applied to pay interest on, principal of or the Redemption Price of non-Eligible Bonds shall be transferred when received to the Interest Fund, Bond Sinking Fund or Optional Redemption Fund, respectively, provided that no such payments shall be deposited in the Credit Facility Interest Account of the Interest Fund, the Credit Facility Principal Account of the Bond Sinking Fund or the Credit Facility Redemption Account of the Optional Redemption Fund.

Section 5.04. Interest Fund.

(a) The Bond Trustee shall establish and maintain so long as any of the Bonds are outstanding a fund to be known as the “Series 2024C Bonds Interest Fund” (the “Interest Fund”); provided, however, that while the Bonds are in a Direct Purchase Period and if the Borrower is making all payments of principal of and interest on the Bonds directly to the Direct Purchaser, the Bond Trustee is not required to establish the Interest Fund. If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish and maintain a separate and segregated account in the Interest Fund designated the “Series 2024C Bonds Credit Facility Interest Account” (the “Credit Facility Interest Account”).

(b) With respect only to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on each Interest Payment Date or redemption date or upon acceleration in an amount equal to the amount of interest due and payable on the Eligible Bonds on such Interest Payment Date or redemption date or upon acceleration. All proceeds of such interest drawings drawn under the Credit Facility received in connection with the scheduled payment of interest on the Bonds, redemption of the Bonds or the acceleration of the Bonds prior to maturity shall be deposited in the Credit Facility Interest Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Bonds and until applied as herein provided.

(c) On each Interest Payment Date, the Bond Trustee shall deposit in the Interest Fund from the Revenue Fund moneys in an amount which, together with the amounts already on deposit therein and available to make such payment, other than in the Credit Facility Interest Account, is not less than the interest becoming due on the Bonds on such date.

(d) With respect to Bonds that have the benefit of a Credit Facility, payments of interest on the Eligible Bonds (other than interest payable on Bonds to be paid out of the Optional Redemption Fund as described in Section 5.06 hereof) shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Interest Account of the Interest Fund. Interest on non-Eligible Bonds shall be paid from amounts deposited in the Interest Fund (other than in the Credit Facility Interest Account thereof) which represent Loan Repayments or payments on the Master Note. Any funds remaining on deposit in the Interest Fund (exclusive of the Credit Facility Interest Account) on any Interest Payment Date after payment in full of all interest due on the Bonds on such date shall be promptly transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the

amount necessary to reimburse the Credit Facility Provider for the interest portion of the draw on the Credit Facility on such date.

(e) In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the written request of the Borrower, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Bonds remaining outstanding on the first Interest Payment Date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal of and interest on the Bonds to be redeemed or defeased (or to reimburse the Credit Facility Provider for a draw on the Credit Facility) or as otherwise directed by the Borrower if the Bond Trustee shall have received a Favorable Opinion of Bond Counsel.

Section 5.05. Bond Sinking Fund.

(a) The Bond Trustee shall establish and maintain so long as any of the Bonds are outstanding a fund to be known as the “Series 2024C Bonds Bond Sinking Fund” (the “Bond Sinking Fund”); provided, however, that during a Direct Purchase Period and if the Borrower is making all payments of principal of and interest on the Bonds directly to the Direct Purchaser, the Bond Trustee is not required to establish the Bond Sinking Fund. If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish a separate account within the Bond Sinking Fund to be known as the “Series 2024C Bonds Credit Facility Principal Account” (the “Credit Facility Principal Account”).

(b) With respect to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall take such actions as are necessary to receive funds under the Credit Facility on the payment date of each Sinking Fund Installment established pursuant to Section 5.05(d) hereof and on maturity or acceleration of the Bonds in an amount equal to the amount of principal due and payable on such dates on the Eligible Bonds that have the benefit of a Credit Facility. All proceeds of drafts drawn under the Credit Facility to pay the principal of the Bonds shall be deposited in the Credit Facility Principal Account and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Eligible Bonds until applied as provided herein.

(c) On each Sinking Fund Installment date established pursuant to Section 5.05(d) hereof and each Maturity Date, after making the deposit required by Section 5.04 hereof, the Bond Trustee shall deposit in the Bond Sinking Fund from the Revenue Fund moneys in an amount which, together with any moneys already on deposit in the Bond Sinking Fund and available to make such payment (other than in the Credit Facility Principal Account) is not less than the principal becoming due on the Bonds on such dates.

(d) Subject to the terms and conditions set forth in this Section and in Section 2.15(f)(vi) and (vii) hereof, the Series 2024C Bonds shall be paid by application of Sinking Fund Installments in the following amounts and on the following dates:

Sinking Fund Installment/Maturity Date (September 1)	Sinking Fund Installment
*	
* Maturity Date.	

(e) With respect to Bonds that have the benefit of a Credit Facility, payments of principal on the related Eligible Bonds shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Principal Account. The principal of non-Eligible Bonds shall be paid from amounts deposited in the Bond Sinking Fund (other than in the Credit Facility Principal Account) which represent Loan Repayments and payments on the Master Note. Any funds remaining on deposit in the Bond Sinking Fund (exclusive of the Credit Facility Principal Account) on such Sinking Fund Installment date after payment in full of all principal due on the Bonds on such date shall be promptly transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the principal portion of the draw on the Credit Facility on such date.

(f) In lieu of such mandatory Bond Sinking Fund redemption, the Bond Trustee shall, at the Written Request of the Borrower, purchase for cancellation an equal principal amount of Bonds of the maturity to be redeemed in the open market identified by the Borrower at prices specified by the Borrower not exceeding the principal amount of the Bonds being purchased plus accrued interest with such interest portion of the purchase price to be paid from the Interest Fund and the principal portion of such purchase price to be paid from the Bond Sinking Fund. In addition, the amount of Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Bonds of the maturity required to be redeemed which are acquired by the Borrower and delivered to the Bond Trustee for cancellation.

(g) In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the written request of the Borrower, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Bonds remaining outstanding on the first principal or Sinking Fund Installment date occurring on or after the date of such redemption or defeasance to pay or provide for the payment of the principal or Redemption Price of and interest on the Bonds to be redeemed or defeased (or to reimburse the Credit Facility Provider for a draw on the Credit Facility) or as otherwise directed by the Borrower if the Bond Trustee shall have received a Favorable Opinion of Bond Counsel.

Section 5.06. Optional Redemption Fund.

(a) There is established with the Bond Trustee and maintained so long as any of the Bonds are outstanding a separate fund to be known as the “Series 2024C Bonds

Optional Redemption Fund” (the “Optional Redemption Fund”). If the Bonds are benefitted by a Credit Facility, the Bond Trustee shall also establish a separate account within the Optional Redemption Fund to be known as the “Series 2024C Bonds Credit Facility Redemption Account” (the “Credit Facility Redemption Account”). In the event of (i) prepayment by or on behalf of the Borrower of Loan Repayments or amounts payable on the Master Note, including prepayment with condemnation or insurance proceeds or proceeds of a sale consummated under threat of condemnation, or (ii) deposit with the Bond Trustee by the Borrower or the Authority of moneys from any other source for redeeming Bonds or purchasing Bonds for cancellation, such moneys shall, except as otherwise provided in this Bond Indenture, be deposited in the Optional Redemption Fund. Moneys on deposit in the Optional Redemption Fund shall be used, first, to make up any deficiencies existing in the Interest Fund and the Bond Sinking Fund (in the order listed) and, second, for the redemption or purchase of Bonds in accordance with the provisions of Article IV hereof; provided, however, that with respect to Bonds that have the benefit of a Credit Facility, the Bond Trustee shall redeem the Bonds to be redeemed in accordance with the following paragraph (b) and any funds remaining on deposit in the Optional Redemption Fund (exclusive of the Credit Facility Redemption Account) on any date on which Bonds are optionally redeemed, after payment in full of the Redemption Price of all Bonds redeemed on such date from amounts on deposit in the Credit Facility Redemption Account of the Optional Redemption Fund, shall be transferred by the Bond Trustee to the Credit Facility Provider, but not in excess of the amount necessary to reimburse the Credit Facility Provider for the draw made on the Credit Facility on such date to pay such Redemption Price.

(b) The Bond Trustee shall with respect only to Bonds that have the benefit of a Credit Facility which are to be optionally redeemed in accordance with the provisions of this Bond Indenture take such actions as are necessary to receive funds under the Credit Facility in (i) an amount which is equal to the principal amount of the Eligible Bonds to be so redeemed and (ii) an amount equal to the amount of interest due and owing on the Eligible Bonds to be so redeemed to the redemption date. Notwithstanding the foregoing, the Bond Trustee need not draw funds under the Credit Facility in order to optionally redeem Bonds, if an unqualified opinion of nationally recognized bankruptcy counsel is delivered to the Bond Trustee and Moody’s (if Moody’s is then a Rating Agency for the Bonds) to the effect that such condemnation, sale or insurance proceeds, as the case may be, are Eligible Moneys. All proceeds of drawings under the Credit Facility to make timely redemption or maturity payments (including payments of interest accruing on such Bonds to the redemption date) shall be deposited in the Credit Facility Redemption Account or Credit Facility Principal Account, as applicable, and shall be held by the Bond Trustee as agent and bailee for the sole benefit and security of the owners of the Eligible Bonds until applied as provided herein. With respect to Bonds that have the benefit of a Credit Facility, payments of the Redemption Price of Eligible Bonds to be redeemed pursuant to Section 4.01 hereof (including interest accrued on such Bonds to the redemption date) shall be made, to the extent available, from Eligible Moneys on deposit in the Credit Facility Redemption Account.

Section 5.07. Investment of Funds.

(a) Upon a Written Request of the Borrower to the Bond Trustee, moneys in the Project Fund, the Revenue Fund, the Interest Fund, the Bond Sinking Fund, the Optional Redemption Fund and any other fund or account established hereunder shall be invested in Qualified Investments specified by the Borrower. The Bond Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments and such written instructions shall be deemed to be a certification that such directed investments constitute Qualified Investments. The Bond Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including account maintenance fees. Qualified Investments shall be purchased at such prices as the Borrower may direct. All Qualified Investments shall be acquired subject to the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by the written request of the Borrower. No such request of the Borrower shall impose any duty on the Bond Trustee inconsistent with its fiduciary responsibilities. In the absence of written directions from the Borrower, the Bond Trustee shall hold such amounts uninvested in cash, without liability for interest. Notwithstanding anything else in this Bond Indenture, (i) any such crediting of funds or assets shall be provisional in nature, and the Bond Trustee shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Bond Indenture shall constitute a waiver of any of the Bond Trustee's rights as a securities intermediary under Uniform Commercial Code Section 9-206. To the extent permitted by law, the Borrower and the Authority specifically waive compliance with 12 C.F.R. 12 and hereby notify the Bond Trustee that no brokerage confirmations need to be sent relating to the security transactions as they occur. Notwithstanding the foregoing, to the extent the Bond Trustee receives and invests amounts under this Bond Indenture, the Bond Trustee shall provide the Borrower and the Authority with periodic cash transactions statements which shall include details for all investment transactions made by the Bond Trustee hereunder. In the event that any fund or account holds more than one type of investment, and a situation requires the sale of an investment to create the necessary liquidity, the Borrower will provide written direction to the Bond Trustee regarding the sale of the investments.

(b) Unless otherwise specifically provided herein, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Bond Indenture shall be deposited when received in such fund or account.

(c) All proceeds of remarketing of Bonds and all proceeds of a drawing upon the Credit Facility or the Liquidity Facility shall be held by the Bond Trustee uninvested in an Eligible Account (as defined in Section 4.10(a)(iii) hereof) and shall not be commingled and shall be applied to the payment of Eligible Bonds only. Eligible Moneys held for the redemption or payment of Bonds shall not be commingled with any other funds held under this Bond Indenture. In the event that an account required to be an Eligible Account no longer complies with the requirement, the Bond Trustee should promptly upon having notice of such event (and in any case, within not more than 30 calendar days of such

notice) move such account to another financial institution such that the Eligible Account requirement will again be satisfied.

(d) The Bond Trustee shall have no responsibility or liability for any loss which may result from any investment or sale of investment made pursuant to this Bond Indenture. The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Bond Indenture, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or any such affiliate is acting as agent of the Bond Trustee or for any third person or dealing as principal for its own account. The Parties acknowledge that the Bond Trustee is not providing investment supervision, recommendations, or advice.

Section 5.08. Draws Upon Credit Facility. If a Credit Facility is in effect with respect to the Bonds, prior to using any other funds, if the Credit Facility is a letter of credit, the Bond Trustee shall, prior to 2:00 p.m., New York City time, on the Business Day immediately prior to each Interest Payment Date or each date on which principal or a Sinking Fund Installment is due, draw upon such Credit Facility in accordance with its terms in the amount necessary to fully provide for payments due on the Eligible Bonds on each such Interest Payment Date and on each date on which principal or a Sinking Fund Installment is due, as the case may be (for deposit in the Credit Facility Interest Account or the Credit Facility Principal Account, as applicable). In the event that the Credit Facility Provider fails to honor the drawing on the Credit Facility or the Credit Facility is repudiated with respect to the regularly scheduled payment of the principal of and interest on the Bonds, the Bond Trustee shall apply amounts on deposit in the Revenue Fund to pay principal of or interest on the Bonds, and shall make immediate demand upon the Borrower for payment of such amounts in the event of any deficiency or shortfall in the Revenue Fund.

Section 5.09. Trust Funds. All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall, except as provided in Section 4.10 hereof, be trust funds under the terms hereof for the benefit of all Bonds outstanding hereunder (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Authority or the Borrower. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

Section 5.10. [Reserved].

Section 5.11. Establishment of Subaccounts. The Bond Trustee may, from time to time, create one or more subaccounts under any fund or account established hereunder as it may deem necessary, administratively desirable or prudent in carrying out its duties under this Bond Indenture.

ARTICLE VI
PARTICULAR COVENANTS

Section 6.01. Payment of Principal, Redemption Price, Purchase Price and Interest. Subject to the limited source of payment hereinafter referred to, the Authority covenants that it will promptly pay or cause to be paid the principal, Redemption Price and Purchase Price of and interest on the Bonds issued under this Bond Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal,

Redemption Price and Purchase Price of and interest on the Bonds are payable solely from Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to this Bond Indenture (other than the Bond Purchase Fund), including certain funds drawn or advanced under the Credit Facility, if any, or the Liquidity Facility, if any, which is specifically pledged hereunder to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Bond Indenture shall be considered or construed as pledging any funds or assets of the Authority, other than those pledged hereby, or creating any liability of the Authority's Indemnified Parties.

Section 6.02. Performance of Covenants; Legal Authorization. The Authority covenants that it will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in this Bond Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto required on its part to be performed or observed. The Authority represents that it is duly authorized under the Constitution and laws of the Commonwealth to issue the Bonds authorized hereby, to execute this Bond Indenture, to assign the Loan Agreement (other than the right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Unassigned Rights) and the Master Note, and to pledge and assign the Revenues and the other assets purported to be pledged and assigned in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken; and that following due authentication by the Bond Trustee, the Bonds in the hands of the owners thereof, as shown on the register maintained by the Bond Trustee, are and will be valid and enforceable obligations of the Authority according to the import thereof.

Section 6.03. Instruments of Further Assurance; Against Encumbrances. The Authority agrees that the Bond Trustee may defend its rights to the payments and other amounts due under the Loan Agreement for the benefit of the Owners of the Bonds against the claims and demands of all persons whomsoever. The Authority covenants that it will, at the Borrower's cost, do, execute, acknowledge and deliver such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Bond Trustee all and singular the rights assigned and the amounts pledged to the payment of the principal of and premium, if any, and interest on the Bonds. The Authority covenants and agrees that, except as herein provided, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Revenues, or its rights thereunder.

Section 6.04. Rights under the Loan Agreement and the Master Note. The Bond Trustee shall promptly collect all amounts due from the Borrower and the Obligated Group, as applicable, pursuant to the Loan Agreement and the Master Note, and shall, subject to the provisions of this Bond Indenture, exercise all rights assigned to it pursuant to the Loan Agreement and, in the case of an Event of Default, shall, subject to the provisions of this Bond Indenture, enforce and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Authority, whether or not the Authority has undertaken to enforce such rights, and all of the

obligations of the Borrower and the Obligated Group, as applicable, under the Loan Agreement and the Master Note.

Section 6.05. [Reserved].

Section 6.06. Amendment of Loan Agreement; Other Covenants. The Authority shall not amend, modify or terminate any of the terms of the Loan Agreement or consent to any such amendment, modification or termination without the written consent of the Bond Trustee and, while a Credit Facility or Liquidity Facility is in effect, of the Credit Facility Provider or Liquidity Facility Provider. The Bond Trustee shall give such written consent only if (1) in the opinion of Bond Counsel, such amendment is necessary to preserve the exemption of interest on the Bonds from Commonwealth income taxation; (2) in the Opinion of Counsel, such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds; or (3) the Owners of a majority in principal amount of the Bonds then Outstanding consent in writing to such amendment, modification or termination. No amendment, modification or termination of the Loan Agreement shall reduce the amount of Loan Repayments to be made to the Authority or the Bond Trustee by the Borrower pursuant to the Loan Agreement, or extend the time for making such payments, without the written consent of all of the Owners of Bonds then Outstanding. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon an Opinion of Counsel to the effect that the amendment is authorized and permitted by the terms of the Loan Agreement and complies with the terms hereof. The Bond Trustee may, but shall not be obligated to, consent to any amendment that affects the Bond Trustee's own rights, duties, liabilities or immunities.

Section 6.07. Continuing Disclosure. Pursuant to Section 5.03 of the Loan Agreement, the Borrower has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Holders of the Bonds or any other Person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Bond Indenture, failure of the Borrower or the Dissemination Agent (as defined in the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Bond Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds and being provided indemnification satisfactory to it, shall) or any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 5.03 of the Loan Agreement or to cause the Bond Trustee to comply with its obligations under this Section.

Section 6.08. Release and Substitution of the Master Note upon Delivery of Replacement Master Indenture. The Bond Trustee shall, within ten days of receipt of notice from the Master Trustee, surrender the Obligations to the Master Trustee upon presentation to the Bond Trustee of the following:

- (1) An original replacement note or similar obligation (the "Substitute Obligation") issued under and pursuant to and secured by a master trust indenture (the "Replacement Master Indenture") executed by one or more entities (collectively, the "New

Group”) and an independent corporate trustee (the “New Trustee”), which Substitute Obligation has been duly authenticated by the New Trustee under the terms of the Replacement Master Indenture and is in a principal amount, bears interest, has prepayment terms and is otherwise of similar tenor to the Master Note;

(2) An Opinion of Counsel addressed to the Bond Trustee to the effect that: (1) the Replacement Master Indenture has been duly authorized, executed and delivered by each member of the New Group, the Substitute Obligation has been duly authorized, executed and delivered by the Obligated Group and the Replacement Master Indenture and the Substitute Obligation are each a legal, valid and binding obligation of each member of the New Group, subject in each case (A) to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors’ rights and application of general principles of equity; (B) to the qualification that the provisions of the Replacement Master Indenture and the Substitute Obligation requiring payments to be made thereunder may not be enforceable if such payments (i) are requested with respect to payments on any Substitute Obligation which was issued for a purpose which is not consistent with the charitable purposes of the Members of the Obligated Group as expressed in the Articles of Incorporation and Bylaws of the Members of the Obligated Group or which was incurred or issued for the benefit of any entity other than a nonprofit corporation which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code; (ii) are requested to be made from any assets which are donor restricted or which are subject to a direct, express or charitable trust which does not permit the use of such assets for such payments; (iii) would result in the cessation or discontinuation of any material portion of the education, academic medical and health care or related services previously provided by the Members of the Obligated Group; or (iv) are requested to be made pursuant to any loan which violates applicable usury laws; and (C) to the qualification that the enforcement of any indemnification provisions of the Replacement Master Indenture may be limited by applicable securities laws or public policy; (2) all requirements and conditions to the issuance of the Substitute Obligation set forth in the Replacement Master Indenture have been complied with and satisfied, including, but not limited to, the perfection of any security interest created thereunder; and (3) registration of the Substitute Obligation under the Securities Act of 1933, as amended, is not required, or such registration has occurred;

- (3) A Favorable Opinion of Bond Counsel with respect to the Series 2024C Bonds;
- (4) An original or fully executed copy of the Replacement Master Indenture; and
- (5) Such reasonable indemnities as the Bond Trustee may request.

Upon satisfaction of such conditions, all references herein and in the Loan Agreement to the Master Note shall be deemed to be references to the Substitute Obligation, all references to the Master Indenture shall be deemed to be references to the Replacement Master Indenture, all references to the Master Trustee shall be deemed to be references to the master trustee under the Replacement Master Indenture, all references to the Obligated Group, the Members of the

Obligated Group and the Combined Group Agent shall be deemed to be references to the New Group and the credit group agent for the New Group and all references to the Fourth Supplement shall be deemed to be references to the supplemental master indenture pursuant to which the Replacement Obligation is issued. The Bond Trustee has no duty or obligation to review any such Replacement Master Indenture and is fully protected in delivering the Master Note for cancellation and replacement upon receipt of the items set forth herein.

Section 6.09. Accounting Records and Financial Statements.

(a) The Bond Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions made by or on behalf of the Bond Trustee relating to the proceeds of Bonds, the Master Note and all funds and accounts established pursuant to this Bond Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or the agent or representative of any of them duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Bond Trustee shall furnish to the Borrower within thirty (30) days after the end of each month, and to the Authority upon request of the Authority, a cash transaction statement (which need not be audited) covering receipts, disbursements, allocation and application of payments by the Borrower and any other moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Bond Indenture for such month. The Bond Trustee shall also furnish to each Bondholder a copy of its monthly cash transaction statement upon written request and at the Bondholder’s expense.

ARTICLE VII EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 7.01. Events of Default.

The following events shall be Events of Default:

- (a) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise, or default in the redemption of any Bonds from Sinking Fund Installments in the amount and at the times provided therefor;
- (b) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;
- (c) subject to the provisions of Section 4.18(b) hereof, failure to pay the Purchase Price of any Bond tendered pursuant to Article IV hereof when such payment is due;
- (d) a Loan Default Event;

(e) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Indenture or any agreement supplemental hereto to be performed on the part of the Authority, and such default shall continue for the period of 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Borrower by the Bond Trustee which notice the Bond Trustee may give in its discretion and must give at the written request of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding hereunder exclusive of Bonds then owned by the Authority or the Borrower; provided that, if such default cannot with due diligence and dispatch be cured within 60 days but can be cured, the failure of the Authority to remedy such default within such 60 day period shall not constitute a default hereunder if the Bond Trustee is provided with a certification from the Authority or the Borrower, as the case may be, to the effect that such default cannot with due diligence and dispatch be cured within 60 days but can be cured and the Authority or the Borrower, as the case may be, shall as soon as practicable upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch within 180 days of the delivery of such default notice;

(f) (i) receipt by the Bond Trustee of written notice from the Credit Facility Provider stating that an event of default has occurred under the Credit Facility Agreement and directing the Bond Trustee to declare the principal of the outstanding Bonds supported by such Credit Facility immediately due and payable; or (ii) receipt by the Bond Trustee of written notice from the Liquidity Facility Provider stating that an event of default has occurred under the Liquidity Facility Agreement;

(g) receipt by the Bond Trustee of a written notice from the Credit Facility Provider that amounts available to pay interest under the Credit Facility will not be reinstated following a drawing thereunder to pay interest and directing the Bond Trustee to declare the principal of the outstanding Bonds supported by such Credit Facility immediately due and payable;

(h) during a Direct Purchase Period, receipt by the Bond Trustee of written notice from the Direct Purchaser that an event of default has occurred under the Bondholder Agreement, which notice may in addition instruct the Bond Trustee to accelerate the Bonds pursuant to Section 7.02 or instruct the Bond Trustee to subject the Bonds to mandatory tender pursuant to Section 4.08(b) hereof; or

(i) a declaration by the Master Trustee of the entire principal amount of all Outstanding Obligations (as defined in the Master Indenture) and the interest accrued thereon to be immediately due and payable.

Upon a Responsible Officer of the Bond Trustee having actual knowledge of the existence of any Event of Default, the Bond Trustee shall notify the Borrower, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Remarketing Agent, if any, the Direct Purchaser, if any, and the Master Trustee in writing as soon as practicable; provided, however, that the Bond Trustee need not provide notice of any Event of Default pursuant to

paragraph (d) if the Borrower has expressly acknowledged the existence of such default in a writing delivered to the Bond Trustee, the Authority, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Master Trustee.

Section 7.02. Acceleration; Annulment of Acceleration.

(a) If an Event of Default described in Section 7.01(a), (b), (c), (d), (f), (g) or (h) shall occur, then the Bond Trustee, at the direction of or with the written consent of the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, at the direction of or with the written consent of the Direct Purchaser, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser, the Bond Trustee may and, upon the written request of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(b) If an Event of Default described in Section 7.01(i) shall occur, the Bond Trustee shall declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(c) If an Event of Default described in Section 7.01(e) shall occur, the Bond Trustee may, with the written consent of, and shall at the written direction of, the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, shall at the direction of, or may with the written consent of, the Direct Purchaser, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser may, with the written consent of, and shall at the written request of, Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, take whatever action at law or in equity is necessary or desirable to enforce the performance, observance or compliance by the Authority with any covenant, agreement or condition by the Authority under this Bond Indenture. In addition, if an Event of Default described in Section 7.01(c) shall occur, the Bond Trustee shall, at the direction of, or may, with the written consent of, the Credit Facility Provider, if any (and if the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility), or, during a Direct Purchase Period, shall, at the direction of, or may, with the written consent of, the Direct Purchaser, and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor properly presented and conforming draw under the Credit Facility) or Direct Purchaser, the Bond Trustee may, upon the written consent of, or shall, at the direction of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately.

(d) Upon the declaration by the Bond Trustee of the principal of all Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, the principal of all the Bonds then Outstanding, and the interest accrued thereon, shall become and shall be immediately due and payable, anything in this Bond Indenture to the contrary notwithstanding. The Bond Trustee shall give or cause to be given notice of acceleration of the Bonds by first class mail to the Bondholders and of such date for payment upon acceleration at least eight days before such date for payment. Notice of such declaration having been given as aforesaid, anything to the contrary contained in this Bond Indenture or in the Bonds, notwithstanding, interest shall cease to accrue on such Bonds from and after the date set forth in such notice (which date shall be no more than eight days from the date of such declaration). The Bond Trustee shall not be required to make payment to any Bondholder until the Bonds shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority (but only out of Revenues received from or on behalf of the Borrower) or the Borrower shall deposit with the Bond Trustee a sum sufficient to pay all the principal, Redemption Price and Purchase Price of and installments of interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Bond Trustee, and if the Bond Trustee has received notification from the Master Trustee that any declaration of acceleration of the Master Note has been annulled pursuant to the Master Indenture and any and all other defaults known to the Bond Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bond Trustee or provision deemed by the Bond Trustee to be adequate shall have been made therefor, then the Bond Trustee shall, with the written consent of the Credit Facility Provider, if a Credit Facility is then in effect and the Credit Facility Provider has not failed to honor a properly presented and conforming draw under the Credit Facility, and upon receipt by the Bond Trustee of written confirmation that the Credit Facility has been reinstated, by written notice to the Authority, the Borrower and the Bond Trustee, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(e) Immediately after any acceleration hereunder, the Bond Trustee, to the extent it has not already done so, shall notify in writing the Authority and the Borrower of the occurrence of such acceleration.

(f) In the event that the Master Trustee has accelerated the Master Note and is pursuing its available remedies under the Master Indenture, the Bond Trustee, without waiving any Event of Default under this Bond Indenture, agrees not to pursue its available remedies under this Bond Indenture or the Loan Agreement in a manner that would hinder or frustrate the pursuit by the Master Trustee of its remedies under the Master Indenture provided that the Bond Trustee may take any action permitted of an Obligation holder under the Master Indenture.

(g) Notwithstanding anything contained herein to the contrary, however, while a Credit Facility is in effect or with respect to Direct Purchase Bonds, the Bonds shall not be declared immediately due and payable, nor shall they be subject to acceleration, nor shall any Event of Default be waived without the prior written consent or direction to such action by the Credit Facility Provider or the Direct Purchaser, as applicable.

Section 7.03. Rights of the Bond Trustee and the Authority Concerning the Master Note. The Bond Trustee, as pledgee and assignee of certain of the right, title and interest of the Authority in and to the Loan Agreement and all of its right, title and interest as assignee of the Master Note shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article, be the real party in interest with standing to enforce each and every right granted to the Authority under the Loan Agreement (other than the Authority's right to receive any Administrative Fees and Expenses to the extent payable to the Authority, or with respect to its Unassigned Rights) and under the Master Note which have been assigned to the Bond Trustee by this Bond Indenture. The Authority and the Bond Trustee hereby agree, without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of rights of the Authority in and to the Master Note and certain rights of the Authority under the Loan Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Authority or its default hereunder or on the Bonds. In exercising such rights and the rights given the Bond Trustee under this Article, the Bond Trustee shall take such action as, in the good faith judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to Holders of Master Note thereunder.

Section 7.04. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Bond Trustee shall, upon the written request of the Credit Facility Provider, if any, or, during a Direct Purchase Period, the Direct Purchaser (subject to Sections 7.13 and 7.14 hereof), and if there is no Credit Facility (or, if the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Credit Facility) or Direct Purchaser, upon the written request of Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, together with indemnification of the Bond Trustee to its satisfaction therefor, proceed forthwith to protect and enforce its rights and the rights of the Bondholders hereunder and under the Act and the Bonds by such suits, actions or proceedings as the Bond Trustee, being advised by counsel, shall deem expedient, including but not limited to:

- (i) civil action to recover money or damages due and owing;
- (ii) civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Bonds;
- (iii) enforcement of any other right of the Authority and the Bondholders conferred by law or hereby; and

(iv) enforcement of any other right conferred by the Loan Agreement, the Master Note or the Master Indenture.

(b) Regardless of the happening of an Event of Default, the Bond Trustee, if requested in writing by the Credit Facility Provider or the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders; provided that such request is in accordance with law and the provisions hereof.

Section 7.05. Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of Administrative Fees and Expenses, and the cost and expenses of the proceedings resulting in the collection of such moneys and of the outstanding fees, expenses, liabilities and advances incurred or made by the Bond Trustee (subject to Section 11.10 hereof and other than moneys required to be deposited in the Bond Purchase Fund) shall be applied by the Bond Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Bond Trustee to protect the interests of the Holders of the Bonds and payment of reasonable fees, expenses and indemnities of the Bond Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Bond Indenture and the creation of a reasonable reserve for anticipated fees, costs and expenses; and

(b) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) and any Reimbursement Obligations related thereto subject to the provisions of this Bond Indenture, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

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 any Reimbursement Obligations related to drawings on the Credit Facility for payment of interest), and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the Persons entitled thereto of the unpaid principal (including Sinking Fund Installments) or Purchase Price or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for

redemption or purchase, in the order of their due dates (and any Reimbursement Obligations related to drawings on the Credit Facility for payment of principal (including Sinking Fund Installments) or Purchase Price or Redemption Price of any Bonds) with interest on the overdue principal at the rate borne by the respective Bonds or such Reimbursement Obligations, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, 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: During a Direct Purchase Period, to the payment to the Direct Purchaser (if any) of any amounts payable under the Bondholder Agreement or during any period in which a Credit Facility or Liquidity Facility is in effect, to the Credit Facility Provider or Liquidity Facility Provider of any amounts payable under the Credit Facility or Liquidity Facility, as applicable.

(ii) If the principal of all of the Bonds shall have become or have been declared due and payable,

FIRST: To the payment of the principal and interest then due and unpaid upon the Bonds (and Reimbursement Obligations), with interest on the overdue principal at the rate borne by the respective Bonds or such Reimbursement Obligations and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

SECOND: During a Direct Purchase Period, to the payment to the Direct Purchaser (if any) of any amounts payable under the Bondholder Agreement, or during any period in which a Credit Facility or Liquidity Facility is in effect, to the Credit Facility Provider or Liquidity Facility Provider of any amounts payable under the Credit Facility or Liquidity Facility, as applicable.

(iii) Notwithstanding anything herein to the contrary, in no event shall the Bond Trustee be entitled to payment of its fees or expenses from any amounts held hereunder which constitute remarketing proceeds, proceeds of a drawing upon a Credit Facility or a Liquidity Facility or any moneys held under the Bond Purchase Fund.

Section 7.06. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Bond Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute (including the Act) on or after the date hereof.

Section 7.07. Remedies Vested in Bond Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Bond Trustee, without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding may be brought without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 7.05 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Bonds. Nothing herein shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Bond Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owner so affected.

Section 7.08. Bondholders' Control of Proceedings. If an Event of Default shall have occurred and be continuing, the Holders of a majority in principal amount of all Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof, provided that such direction is in accordance with law and the provisions hereof (including indemnity to the Bond Trustee as provided herein). Nothing in this Section shall impair the right of the Bond Trustee in its discretion to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 7.09. Individual Bondholder Action Restricted.

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust hereunder or for any remedy hereunder except upon the occurrence of all of the following events:

(i) the Credit Facility Provider or the Holders of at least a majority in aggregate principal amount of Bonds Outstanding shall have made written request to the Bond Trustee to proceed to exercise the powers granted herein; and

(ii) the Credit Facility Provider or such Bondholders shall have offered the Bond Trustee indemnity as provided in Section 8.06 hereof; and

(iii) the Bond Trustee shall have failed or refused to exercise the duties or powers herein granted for a period of 60 days after receipt by it of such request and offer of indemnity; and

(iv) during such 60 day period no direction inconsistent with such written request has been delivered to the Bond Trustee by the Credit Facility

Provider or the Holders of a majority in principal amount of Bonds then Outstanding.

(b) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security hereof or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(c) Nothing contained herein shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof or (ii) to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Holder of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien hereof on the money, funds and properties pledged hereunder for the equal and ratable benefit of all Holders of Bonds.

Section 7.10. Termination of Proceedings. In case any proceedings taken on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, the Liquidity Facility Provider, the Credit Facility Provider, or the Bondholders, then the Authority, the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bondholders shall be restored to their former positions and rights hereunder, and all rights and powers of the Bond Trustee, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Bondholders shall continue as if no such proceeding had been taken.

Section 7.11. Waiver of Event of Default.

(a) No delay or omission of the Bond Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or in acquiescence therein. Every power and remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

(b) The Bond Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, on or before the completion of the enforcement of any other remedy hereunder.

(c) The Bond Trustee, upon the written request of the Credit Facility Provider or the Holders of a majority in principal amount of the Bonds then Outstanding, shall waive any Event of Default hereunder and its consequences; provided, however, that a default in the payment of the principal or Redemption Price of or interest on any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding, for which payment of the principal or Redemption Price of or interest on has not been made.

(d) In case of any waiver by the Bond Trustee of an Event of Default hereunder, the Authority, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Bond Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

(e) Notwithstanding anything herein to the contrary, while a Credit Facility is in effect, the Bond Trustee shall not waive any Event of Default unless the Credit Facility Provider shall have rescinded in writing any default notice given by it and the Credit Facility shall have been reinstated in full. Notwithstanding anything herein to the contrary, with respect to Direct Purchase Bonds, the Bond Trustee shall not waive any Event of Default unless the Direct Purchaser, if any, shall have consented to such waiver in writing.

Section 7.12. Limitations on Remedies. It is the purpose and intention of this Article to provide rights and remedies to the Bond Trustee, the Liquidity Facility Providers, the Credit Facility Providers, the Direct Purchaser, if any, and Bondholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Bond Trustee, the Liquidity Facility Providers, the Credit Facility Providers, and the Bondholders shall be entitled, as above set forth, to every other right and remedy provided in this Bond Indenture and by law.

Section 7.13. Consent of the Credit Facility Provider; Action at Direction of the Credit Facility Provider. If a Credit Facility is in effect, unless the rights of the Credit Facility Provider are not in effect as provided in Section 11.16 hereof, the written consent of the Credit Facility Provider shall be required (a) for the initiation by Bondholders of any action to be undertaken by the Bond Trustee at the Bondholders' request, which under this Bond Indenture or the Loan Agreement or the Master Indenture requires the written approval or consent of or can be initiated by the holders of Bonds, (b) for the purposes of consents and directing action under the Loan Agreement or the Master Indenture, and (c) for the purpose of acceleration of the principal of the Bonds or the Master Note, the annulment of any declaration of acceleration, and waivers of Events of Default. If a Credit Facility is in effect, unless the rights of the Credit Facility Provider are not in effect as provided in Section 11.16, the Bond Trustee shall, upon the written direction of the Credit Facility Provider and upon being indemnified as provided in Section 8.06, take any action available to the Bond Trustee hereunder or under the Loan Agreement or the Master Indenture.

Unless otherwise provided in this Section 7.13, the granting of the Credit Facility Provider's consent shall be in lieu of Bondholder consent, whenever this Bond Indenture otherwise requires Bondholder consent, including without limitation, (i) the execution and delivery of any Supplemental Bond Indenture or any amendment, supplement or change to or modification of the Loan Agreement, the Master Note or the Master Indenture; (ii) the removal of the Bond Trustee and the selection and appointment of any successor Bond Trustee; and (iii) the initiation or approval of any action not described in (i) or (ii) above which requires the consent of the Holders.

Section 7.14. Rights of Holder When Bonds in Direct Purchase Period. Notwithstanding anything contained in this Article VII or this Bond Indenture to the contrary and subject to the provisions of the Master Indenture, during any period when the Bonds are in the Direct Purchase Mode, the Direct Purchaser shall have the right to enforce the rights and remedies provided to the

Bond Trustee hereunder, to consent to amendments to this Bond Indenture and the Loan Agreement and to control all proceedings relating to the exercise of such rights and remedies in its own name and not subject to the restrictions contained herein.

ARTICLE VIII THE BOND TRUSTEE

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

(a) At the request of the Borrower, the Authority hereby appoints The Bank of New York Mellon Trust Company, N.A., as Bond Trustee. The Bond Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied duties (including fiduciary duties), covenants or obligations shall be read into this Bond Indenture against the Bond Trustee. The Bond Trustee shall, during the existence of any Event of Default (which has not been cured or waived in accordance herewith), exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. The Bond Trustee shall not be required to provide, on its own behalf, any surety bond or other kind of security in connection with the execution of any of its trusts or powers under this Bond Indenture or any other related document or the performance of its duties hereunder.

(b) The Authority shall remove the Bond Trustee (i) upon written request of the Borrower at any time unless an Event of Default shall have occurred and then be continuing, (ii) upon the occurrence and continuation of an Event of Default, if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (iii) if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving 30 days' prior written notice of such removal to the Bond Trustee, and thereupon shall appoint, with the written consent of the Borrower, a successor Trustee by an instrument in writing.

(c) The Bond Trustee may at any time resign by giving written notice of such resignation to the Authority and the Authorized Representative of the Borrower and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Bond Trustee. Upon receiving such notice of resignation, the Authority, at and in accordance with the written direction of the Authorized Representative of the Borrower, shall promptly appoint a successor Trustee by an instrument in writing.

(d) The Bond Trustee shall not be relieved of its duties until a successor Trustee has accepted appointment and assumed the duties of the Bond Trustee hereunder. Any removal or resignation of the Bond Trustee and appointment of a successor Trustee shall only become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within 30 days of giving notice of removal or notice of resignation as aforesaid, the retiring Trustee at the expense of the Borrower, the Borrower or any Holder (on behalf of such Holder and all other Holders) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Bond Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority, the Authorized Representative of the Borrower and its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the Authority, the Authorized Representative of the Borrower or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Bond Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall cause such successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to the Holders at the addresses shown on the registration books maintained by the Bond Trustee.

(e) Any successor Trustee shall be a trust company, national bank or other bank having the powers of a trust company having (or, in the case of a trust company or bank included in a bank holding company system, with a bank holding company having) a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such trust company, national bank or other bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond

Trustee may sell or transfer all or substantially all of its municipal corporate trust business, provided such company shall be eligible under subsection (e) of Section 8.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Bond Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Bond Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the legality, validity or sufficiency of this Bond Indenture, the Loan Agreement, the Master Note or any other document related hereto, or of the Bonds, and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Bond Trustee or its powers. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence, or willful misconduct; provided, that this shall not be construed to limit the effect of subsection (f) or (o) hereof. The Bond Trustee may become the owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders, whether or not such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

(b) The Bond Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Bond Trustee was negligent.

(c) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Credit Facility Provider or Holders of not less than a majority in aggregate principal amount (or such lesser principal amount as is provided hereby) of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture.

(d) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Indenture, including at the request, order or direction of any of the Bondholders pursuant to the provisions of this Bond Indenture unless such Bondholders shall have offered to the Bond Trustee security or indemnity satisfactory to the Bond Trustee against the costs, expenses and liabilities which may be incurred therein or thereby.

(e) The Bond Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Bond Indenture unless it shall be proved that the Bond Trustee was negligent.

(f) No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(g) Whether or not therein expressly so provided, every provision of this Bond Indenture, the Loan Agreement, the Master Note or other documents relating to the issuance of the Bonds, relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Article.

(h) The Bond Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, requisition, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Bond Trustee, in its discretion and at its expense, may make such further investigation or inquiry into such facts or matters as it may deem fit.

(i) The Bond Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The Bond Trustee shall not be deemed to have knowledge of an Event of Default hereunder, under the Loan Agreement, the Master Note or any other document related to the Bonds unless a Responsible Officer of the Bond Trustee shall have actual knowledge of such an Event of Default. As used herein, "actual knowledge" shall mean the actual fact or statement of knowing without any independent duty to make any investigation with regard thereto.

(k) The Bond Trustee shall not be accountable for the use or application by the Authority or the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any paying agent. The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and the Bond Trustee shall not be answerable for other than its negligence or willful misconduct.

(l) The Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Bond Indenture and delivered using Electronic Means; provided, however, that the Authority and/or the Borrower shall provide to the Bond Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority and/or the Borrower whenever a person is to be added or deleted from the listing. If the Authority and/or the Borrower elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Authority and the Borrower understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an

Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Authority and the Borrower shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and that the Authority, the Borrower and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority and/or the Borrower. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority and the Borrower; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(m) In acting or omitting to act pursuant to the Loan Agreement or any other documents executed in connection herewith or therewith, the Bond Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Bond Indenture, the Loan Agreement including, but not limited to, this Article VIII.

(n) To the extent that the Bond Trustee is the holder of an Obligation under the Master Indenture, in its capacity as Bond Trustee hereunder, the Bond Trustee shall not be required to take any action or exercise any discretion under the Master Indenture as an Obligation holder, including, without limitation, exercising voting or consent rights, without receiving the written direction of the owners of all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture.

(o) The Bond Trustee shall not be responsible for the recording or filing of any document relating to this Bond Indenture, including without limitation, recording or filing any financing statements, continuation statements or any other documents or taking any other actions to perfect or continue the perfection of any security interest in any collateral given to or held by the Bond Trustee.

(p) To the fullest extent permitted by law and notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall not be personally liable for (x) special, consequential or punitive damages, however styled, including, without limitation, lost profits or (y) the acts or omissions of any nominee, correspondent, clearing agency or securities depository through which it holds the Bonds or accounts.

(q) Notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall not be responsible or liable for its failure to perform under this Bond Indenture

or for any losses resulting from any event beyond the reasonable control of the Bond Trustee, its agents or subcustodians, including but not limited to nationalization, strikes, expropriation, devaluation, seizure, or similar action by any governmental authority, de facto or de jure; or enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, levies or other charges affecting the Bonds; or the breakdown, failure or malfunction of any utilities or telecommunications systems; or any order or regulation of any banking or securities industry including changes in market rules and market conditions affecting the execution or settlement of transactions; or acts of war, terrorism, insurrection or revolution; or acts of God; or any other similar event.

(r) The Bond Trustee shall not be deemed to have knowledge or notice of any fact or event unless a Responsible Officer of the Bond Trustee has actual knowledge thereof or unless written notice of such fact or event is received by a Responsible Officer and such notice references the fact or event.

(s) The Bond Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Bond Indenture and the Loan Agreement, whether or not an original or a copy of such agreement has been provided to the Bond Trustee.

(t) The Bond Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document other than this Bond Indenture and the Loan Agreement.

(u) Neither the Bond Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Borrower, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Bond Trustee may assume performance by all such Persons of their respective obligations. The Bond Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(v) The Bond Trustee shall be fully protected in acting upon any order, judgement or decree of a court of competent jurisdiction.

(w) The Bond Trustee shall be entitled to request and receive written instructions from owners of all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture, and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Bond Trustee in accordance with the written direction of owners of not less than all or a majority in aggregate principal amount of the Bonds, as applicable pursuant to this Bond Indenture.

(x) Notwithstanding anything to the contrary herein, the Bond Trustee shall have no duty to prepare or file any Federal or state tax report or return with respect to any

funds held pursuant to this Bond Indenture or any income earned thereon, except for the delivery and filing of tax information reporting forms required to be delivered and filed with the Internal Revenue Service. Upon the Bond Trustee's request the Bond Trustee shall be provided with certified tax identification numbers and appropriate forms W-9 or W-8 and such other forms and documents that the Bond Trustee may request.

Section 8.04. Right of Bond Trustee to Rely on Documents. The Bond Trustee shall be fully protected in acting upon any notice, resolution, request, consent, order, judgement, certificate, statement, requisition, electronic mail, 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. Before the Bond Trustee acts or refrains from acting, it may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, or with accountants or other skilled persons, and the opinion of such counsel, accountants or other skilled persons shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith; provided, however, the Bond Trustee may act with such full and complete authorization and protection so long as whenever the Bond Trustee is to receive an Opinion of Counsel upon which it will rely in taking or omitting to take action, the Bond Trustee shall specifically request that the Authority be named as an addressee of such Opinion of Counsel. If the Bond Trustee is informed that counsel will not name the Authority as an addressee of such opinion, the Bond Trustee will promptly send notice to the Authority and the Bond Trustee will refrain from acting upon any such Opinion of Counsel for a period of three (3) business days unless in the opinion of the Bond Trustee such delay would adversely affect the interests of the Bond owners.

With the exception of Persons in whose names Bonds are registered on the books maintained by the Bond Trustee for such purpose, the Bond Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed, and such Holder is registered on the books maintained by the Bond Trustee.

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

Section 8.05. Preservation and Inspection of Documents. All documents received by the Bond Trustee under the provisions of this Bond Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the Borrower and any Holder, and their agents and representatives duly authorized in writing (if such Holder provides to

the Bond Trustee 30 days prior written notice and such notice specifies a date upon which such inspection shall occur), during normal business hours and under reasonable conditions.

Section 8.06. Performance of Duties. The Bond Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys or agents and shall be entitled to advice of counsel concerning all matters of trust and its duties hereunder and shall be absolutely protected in relying thereon. The Bond Trustee shall not be responsible for the negligence or willful misconduct of such persons selected by it with due care.

The Bond Trustee shall be paid its fees and expenses (including, without limitation, legal fees and expenses) hereunder by the Borrower in accordance with a separate fee schedule, and pursuant to the terms of the Loan Agreement. The Bond Trustee shall also be indemnified by the Borrower pursuant to the terms of the Loan Agreement. When the Bond Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

ARTICLE IX MODIFICATIONS OR AMENDMENTS

Section 9.01. Amendments to Bond Indenture.

(a) This Bond Indenture and the rights and obligations of the Authority and of the Holders of the Bonds and of the Bond Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Bond Trustee may enter into with the written consent of (i) the Credit Facility Provider (provided that the Credit Facility is then in effect with respect to all Bonds then Outstanding and the Credit Facility Provider has not lost its rights pursuant to the provisions of Section 11.16 hereof) and the Borrower or (ii) the Holders of a majority in aggregate principal amount of the Bonds then Outstanding (if no Credit Facility is in effect or the Credit Facility Provider has lost its rights pursuant to the provisions of Section 11.16 hereof) and the Borrower shall have been filed with the Bond Trustee. No such modification or amendment shall (1) extend the Maturity Date of any Bond, or reduce the amount of principal thereof, or extend the time of payment or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds, the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien prior to or on a parity with the lien created by this Bond Indenture, or deprive the Holders of the Bonds of the lien created by this Bond Indenture (except as expressly provided in this Bond Indenture), without the consent of the Holders of all Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Bond Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Bond Trustee of any Supplemental Bond Indenture pursuant to

this subsection (a), the Bond Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Bond Indenture to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Bond Indenture.

(b) This Bond Indenture and the rights and obligations of the Authority, of the Bond Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Bond Trustee may enter into with the consent of the Borrower, but without the necessity of obtaining the consent of any Bondholders or Credit Facility Provider, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority contained in this Bond Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority; provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d);

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Bond Indenture, or in regard to matters or questions arising under this Bond Indenture, including but not limited to reflecting the creation of separate sub-Series for the Bonds, reflecting the serialization of the Bonds upon their Conversion to a Fixed Mode or reflecting the conversion of serial Bonds to term Bonds or other adjustments to the amortization and payment schedule in connection with their Conversion from a Fixed Mode, as the Authority or the Bond Trustee may deem necessary or desirable and not inconsistent with this Bond Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds;

(iii) to modify, amend or supplement this Bond Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d);

(iv) to evidence or give effect to, or to conform to the terms and provisions of, any Liquidity Facility or any Credit Facility, including a Self-Liquidity Arrangement;

(v) to facilitate and implement any book-entry system (or any termination of a book-entry system) with respect to the Bonds in accordance with the terms hereof;

(vi) to maintain the exclusion from gross income of interest payable with respect to the Bonds;

(vii) to make any modification or amendment to this Bond Indenture which will be effective upon the Conversion and/or remarketing of Bonds following the mandatory tender of the Bonds pursuant to Section 4.07;

(viii) to provide for the appointment of a successor bond trustee or co-trustee pursuant to the terms of Section 8.01(b) or (c) hereof; or

(ix) to make any modification or amendment to this Bond Indenture which shall not materially adversely affect the interests of the Holders of the Bonds, as evidenced by the Opinion of Counsel delivered pursuant to Section 9.01(d).

(c) The Bond Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Bond Indenture authorized by subsections (a) or (b) of this Section which materially adversely affects the Bond Trustee's own rights, duties or immunities under this Bond Indenture or otherwise.

(d) In executing, or accepting the additional trusts created by, any Supplemental Bond Indenture permitted by this Article or the modification thereby of the trusts created by this Bond Indenture, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Bond Indenture is authorized or permitted by this Bond Indenture and complies with the terms hereof.

Section 9.02. Effect of Supplemental Bond Indenture. Upon the execution of any Supplemental Bond Indenture pursuant to this Article, this Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture of the Authority, the Bond Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Bond Indenture shall be deemed to be part of the terms and conditions of this Bond Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Bond Indenture pursuant to this Article may, and if the Authority so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Bond Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of such Holder's Bond for the purpose at the Corporate Trust Office of the Bond Trustee or at such additional offices as the Bond Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Bond Indenture shall so provide, new Bonds so modified as to conform to any modification or

amendment contained in such Supplemental Bond Indenture, shall be prepared by the Bond Trustee at the expense of the Borrower, executed by the Authority and authenticated by the Bond Trustee, and upon demand of the Holders of any Bonds then Outstanding shall be exchanged at the Corporate Trust Office of the Bond Trustee, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

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

ARTICLE X SATISFACTION OF THIS BOND INDENTURE

Section 10.01. Discharge of Bond Indenture. Bonds may be paid in any of the following ways, provided that the Borrower also pays or causes to be paid any other sums payable hereunder and related to such Bonds:

(a) by paying or causing to be paid the principal or Redemption Price of and interest on Outstanding Bonds, as and when the same become due and payable;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, money or Defeasance Obligations in the amount necessary (as provided in Section 10.03) to pay or redeem all Bonds Outstanding; or

(c) by delivering to the Bond Trustee, for cancellation by it, Outstanding Bonds.

If the Authority, the Borrower or the Bond Trustee shall also pay or cause to be paid all other sums payable hereunder by the Authority, and if the Borrower shall have paid all expenses payable to the Authority and the Bond Trustee, and any indemnification owed to the Authority, then and in that case, at the election of the Borrower (evidenced by a Certificate of the Borrower, filed with the Bond Trustee, signifying the intention of the Borrower to discharge all such indebtedness and this Bond Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, this Bond Indenture and the pledge of Revenues and other assets made under this Bond Indenture and all covenants, agreements and other obligations of the Authority under this Bond Indenture shall cease, terminate, become void and be completely discharged and satisfied (except with respect to the transfer or exchange of Bonds provided for herein or therein, the payment of principal of and interest on the Bonds when due, the redemption of Bonds provided for in Article IV hereof. In such event, upon Written Request of the Borrower, the Bond Trustee shall execute and deliver to the Authority and the Borrower all such instruments as may be necessary or desirable (and prepared by or on behalf of the Authority or the Borrower) to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to the Borrower all moneys or securities or other property held by it pursuant to this Bond Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption. The release of the obligations of the Authority hereunder shall be without prejudice to the right of the Bond Trustee to be paid reasonable compensation for all

services rendered hereunder by it and all reasonable expenses, charges and other disbursements (from any money in its possession under the provisions of this Bond Indenture, subject only to the prior lien of the Bonds for the payment of the principal thereof and the interest thereon) incurred on or about the administration of the trust hereby created and the performance of its duties hereunder, nor its right to indemnification hereunder and under the Loan Agreement.

Section 10.02. Effect of Defeasance. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the amount necessary (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond) and, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, this Bond Indenture may be released and discharged in accordance with the provisions hereof and of Section 10.01, but the liability of the Authority in respect of such Bonds shall continue but only to the extent that the Holder thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Bond Trustee as aforesaid for their payment; and, provided, further, that the provisions of Section 10.04 shall apply in any event.

With respect to any Weekly Bonds, Two Day Bonds or Daily Bonds enhanced with a Liquidity Facility or Credit Facility that, in either case, is a direct-pay letter of credit, any such initial deposit or initial investment must be made with Eligible Moneys. Prior to defeasing any Weekly Bonds, Two Day Bonds or Daily Bonds enhanced by a Liquidity Facility or a Credit Facility pursuant to this Section 10.02, the Borrower shall either (i) obtain written confirmation from each Rating Agency then rating the Bonds that the ratings on the Bonds will not be lowered or withdrawn as a result of the defeasance of the Bonds or (ii) cause the Liquidity Facility or Credit Facility then in effect to remain in effect until the earlier of the final redemption date or the maturity date of the defeased Bonds.

Notwithstanding anything in this Bond Indenture to the contrary, Bonds secured by a Liquidity Facility or a Credit Facility shall not be defeased unless each of the following conditions is satisfied: (1) the defeasance escrow for such Bonds shall be held uninvested in cash only and shall not be invested in Defeasance Obligations or any other form of investment; and (2) there shall be delivered to the Bond Trustee and the Authority a verification report of an accountant as to the adequacy of the defeasance escrow so established. The rights of the Holders of Bonds bearing interest at a Daily Rate, a Two Day Rate, a Window Rate, a VRO Rate or a Weekly Rate to optionally tender such Bonds pursuant to Section 4.06(a) hereof shall continue to be in full force and effect during the defeasance escrow period and shall remain in effect until the redemption date of such Bonds.

Section 10.03. Deposit of Money or Securities with Bond Trustee. Whenever in this Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the amount necessary to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Bond Trustee in the funds and accounts established pursuant to this Bond Indenture and shall be:

- (a) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity (based on an

assumed interest rate equal to the Maximum Interest Rate for periods for which the actual interest rate on the Bonds cannot be determined), except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon (based upon an assumed interest rate equal to the Maximum Interest Rate, for periods for which the actual interest on the Bonds cannot then be determined) to the redemption date; or

- (b) Defeasance Obligations, the principal of and interest on which when due will provide money sufficient, without regard to any reinvestment thereof, to pay the principal or Purchase Price for any Bonds tendered for purchase (in which case the tendered Bonds shall be purchased and shall be cancelled), or Redemption Price of and all unpaid interest to maturity (based on an assumed interest rate equal to the Maximum Interest Rate for periods for which the actual interest rate on the Bonds cannot be determined) or to the Purchase Date or redemption date, as the case may be, on the Bonds to be paid, purchased or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice; and, provided further, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of this Bond Indenture or by Written Request of the Borrower or the Authority) to apply such money to the payment of such principal or Purchase Price or Redemption Price and interest with respect to such Bonds.

Prior to any defeasance becoming effective under this Section 10.03, the Borrower shall deliver, or caused to be delivered, to the Bond Trustee and the Authority (a) if Defeasance Obligations comprise all or part of the defeasance deposit, a copy of a certificate of an independent certified public accountant or firm of such accountants or financial institution experienced in delivering verification reports indicating the sufficiency of the maturing principal and the interest income on such Defeasance Obligations to pay when due the principal or Redemption Price of and interest on such Bonds and (b) with respect to the Series 2024C Bonds, a Favorable Opinion of Bond Counsel, addressed to the Authority, to the effect that the Series 2024C Bonds have been paid within the meaning of this Section 10.03 and are no longer Outstanding under the terms of this Bond Indenture.

Section 10.04. Payment of Bonds After Discharge of Bond Indenture. Notwithstanding the discharge of the lien hereof as in this Article provided, the Bond Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Subject to any applicable escheat law, any money held by the Bond Trustee for the payment of the principal, Redemption Price or Purchase Price of or interest on any Bond remaining unclaimed for three years after the principal or Purchase Price of all Bonds has become due and payable, whether at maturity or proceedings for redemption or tender for purchase or by declaration as provided herein, shall then be paid to the Borrower and the Holders of any Bonds not theretofore presented for payment shall thereafter be entitled to look

only to the Borrower for payment thereof and all liability of the Bond Trustee and the Authority with respect to such moneys shall thereupon cease.

Section 10.05. Reserved.

Section 10.06. Reserved.

Section 10.07. Survival. Notwithstanding the payment in full of the Bonds, the discharge of this Bond Indenture, and the termination or expiration of the Loan Agreement and the Master Note, all provisions in this Bond Indenture concerning (a) the interpretation of this Bond Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the indemnity of the Authority Indemnified Parties from liability, and (g) the lack of pecuniary liability of the Authority and the Commonwealth, shall survive and remain in full force and effect.

ARTICLE XI MISCELLANEOUS

Section 11.01. Limitation of Authority's Liability. With respect to the Bonds, notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of the Bonds, this Bond Indenture or the Loan Agreement shall be construed so as to give rise to any liability of the Commonwealth or any political subdivision thereof, or the Authority, or give rise to a charge upon the general credit of the Commonwealth or any political subdivision thereof, or the Authority, and the Authority shall not be obligated to pay the principal (or Redemption Price or Purchase Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Bond Trustee pursuant to the Loan Agreement and the Master Note. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Master Note, the Bonds or this Bond Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement or from the Members under the Master Note. All such liability, if any, is expressly waived and released by the Holders of the Bonds by the acceptance of the Bonds. There shall be no other recourse under the Bonds, this Bond Indenture, the Loan Agreement or otherwise against the Authority or against any board member, officer, employee or agent, past, present or future, or any other property now or hereafter owned by it or any of them and, upon entry of any judgment, the judgment creditor or creditors shall request the Prothonotary (or any successor official) to mark the judgment index accordingly. THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THIS INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL

OR INTEREST. THE AUTHORITY HAS NO TAXING POWER. The issuance of the Bonds under the provisions of the Act or this Bond Indenture do not, directly or indirectly, or contingently, obligate the Commonwealth or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. The Commonwealth shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or its taxing power. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Holders of the Bonds or the Borrower, if a default shall occur hereunder or under the Loan Agreement.

Notwithstanding anything to the contrary contained herein or in the Loan Agreement or the Bonds or any document relating to the foregoing, the Authority shall have no liability, legal, moral or otherwise, and does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance, or any other payments recited herein, except from the Revenues and other moneys and assets received by the Bond Trustee pursuant to the Loan Agreement and the Master Note, to any Owner of the Bonds, the Bond Trustee, any underwriter for the Project, the Bonds, or the Borrower in connection with the Bonds, the Bond Indenture, the Loan Agreement or any other document executed or used in connection herewith or therewith, including, without limitation, any liability or loss resulting from or suffered upon (a) the occurrence of any default under the foregoing documents or the security instruments referred to therein, (b) any diminution in the value of the Revenues or any collateral given to secure the Bonds, (c) any failure to perfect a lien or security interest in or against the Revenues or any collateral given to secure the Bonds, (d) any misrepresentation of the Authority, (e) the inaccuracy of or failure to complete any information or document submitted by the Authority to the Internal Revenue Service, (f) [Reserved], or (g) any other cause, matter, or thing whatsoever.

No recourse shall be had for any claim based on any of the Loan Agreement, this Bond Indenture, the Bonds or any document delivered with respect to any of the Loan Agreement, this Bond Indenture or the Bonds against any elected official of the Commonwealth, against any officer or against any member, officer, agent, representative, or employee, past, present or future, of the Authority, or any successor bodies of the foregoing entities, either directly or indirectly, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise. The Bond Trustee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds will be provided by the payments made by the Borrower to the Bond Trustee pursuant to the Loan Agreement and by the Members under the Master Note, together with investment income on certain funds and accounts held by the Bond Trustee under this Bond Indenture, and hereby agrees that if the payments to be made under the Loan Agreement and under the Master Note shall ever prove insufficient to pay all principal (or Redemption Price or Purchase Price) and interest on the Bonds as the same shall become due (whether by maturity, redemption, tender, acceleration or otherwise), then the Bond Trustee shall give notice to the Borrower in accordance with Section 6.05 of the Loan Agreement to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price or Purchase Price) or interest, including, but not limited to, any deficiency caused by acts,

omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Master Trustee, the Borrower, the Authority or any third party, subject to any right of reimbursement from the Bond Trustee, the Master Trustee, the Borrower, the Authority or any such third party, as the case may be, therefor.

Whether or not therein expressly so provided, every provision of the Loan Agreement relating to the conduct or affecting the liability of the Authority shall be subject to the provisions of this Section.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND INTEREST, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THIS BOND INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

No breach by the Authority of any such pledge, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or its taxing power.

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

Section 11.03. Limitation of Rights to Parties, the Borrower, Liquidity Facility Provider, Credit Facility Provider, Direct Purchaser and Bondholders. Nothing in this Bond Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Authority, the Bond Trustee, the Borrower, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Bond Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Bond Trustee, the Borrower, the Liquidity Facility Provider, if any, the Credit Facility Provider, if any, the Direct Purchaser, if any, and the Holders of the Bonds. The Borrower, Liquidity Facility

Provider, if any, the Credit Facility Provider, if any, and the Direct Purchaser, if any, shall be third-party beneficiaries hereof.

Section 11.04. Waiver of Notice. Whenever in this Bond Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.05. Destruction of Bonds. Whenever in this Bond Indenture provision is made for the cancellation by the Bond Trustee and the delivery to the Authority of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds and, if requested, deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Bond Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Indenture, and this Bond Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into this Bond Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Bond Indenture may be held illegal, invalid or unenforceable, except that that Authority would not have entered into this Bond Indenture without all of the limitations to its obligations described therein.

Section 11.07. Notices. Notwithstanding anything herein to the contrary, with respect to Bonds registered in a Securities Depository, whenever a mailing, notice or other communication to Bondholders is required under this Bond Indenture, the Bond Trustee may provide all such notices and communications to the Securities Depository in accordance with the generally accepted procedures of the Securities Depository, which may be via Electronic Notice.

Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same are: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the Authority:

Pennsylvania Higher Educational Facilities Authority
400 North Street, FL 6
Harrisburg, Pennsylvania 17120
Attention: Executive Director

To the Borrower:

Thomas Jefferson University
1101 Market Street
Capital Management, 20th Floor
Philadelphia, Pennsylvania 19107
Attention: SVP Finance, Chief Investment Officer and Treasurer

To the Bond Trustee or the Master Trustee:

The Bank of New York Mellon Trust Company, N.A.
1735 Market St., 9th Floor
Philadelphia, Pennsylvania 19103
Attention: Corporate Trust

(or in each case at such other or additional addresses as may have been filed in writing with the Bond Trustee). Any notice required to be sent to a Liquidity Facility Provider or Credit Facility Provider shall be sent to the address indicated therefor in the applicable Liquidity Facility or Credit Facility Agreement. Any notice required to be sent to the Direct Purchaser shall be sent to the address indicated therefor in the applicable Bondholder Agreement.

The Bond Trustee shall provide written notice to each Rating Agency which maintains a rating on the Bonds of the occurrence of any of the following events of which a Responsible Officer of the Bond Trustee has actual knowledge: (i) any change in the Bond Trustee or Remarketing Agent; (ii) any amendments to this Bond Indenture, the Loan Agreement, the Master Indenture, the Liquidity Facility, the Credit Facility or the Credit Facility Agreement; (iii) the expiration, termination, extension or substitution of any Liquidity Facility or Credit Facility; (iv) the acceleration, optional redemption, defeasance or mandatory tender of the Bonds; or (v) any Conversion of the Interest Rate Mode with respect to all or a portion of the Bonds. Any notice given pursuant to this paragraph to S&P Global Ratings shall be sent to 55 Water Street, New York, New York 10041, Attention: Municipal Structured Group, E-mail address: pubfin_structured@spglobal.com. Any notice given pursuant to this paragraph to Moody's shall be sent to 7 World Trade Center at 250 Greenwich Street, 23rd Floor New York, New York 10007, Attention: Municipal Structured Finance Group, E-mail address: MSPGSsurveillance@moodys.com. In addition, the Bond Trustee shall provide such Rating Agencies with any other information in the Bond Trustee's possession concerning the Bonds, this Bond Indenture or the Loan Agreement that such Rating Agencies may reasonably require in order to maintain the rating on the Bonds. The Bond Trustee shall incur no liability for failure to give any such notices required to be provided to a Rating Agency under the terms hereof and the obligation to provide any such written notices is conditioned upon the Authority providing the Bond Trustee with written notice as to the applicable Rating Agency then rating the Bonds.

Section 11.08. Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Bond Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing

any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of this Bond Indenture and shall be conclusive in favor of the Bond Trustee and the Authority if made in the manner provided in this Section.

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

The ownership of Bonds shall be proved by the Registration Books.

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

Section 11.09. Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Indenture, Bonds which are owned or held by or for the account of the Authority, the Borrower, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Borrower or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; except that in determining whether the Bond Trustee shall be protected in relying upon any such demand, request, direction, consent or waiver of an Owner, only Bonds which a Responsible Officer of the Bond Trustee actually knows to be owned or held by or for the account of the Authority or the Borrower, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the Borrower or any other obligor on the Bonds, shall be disregarded unless all Bonds are so owned or held, in which case such Bonds shall be considered Outstanding for the purpose of such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority, the Borrower or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel shall be full protection to the Bond Trustee. Upon request of the Bond Trustee, the Authority and the Borrower shall specify in a certificate to the Bond Trustee those Bonds disqualified pursuant to this Section and the Bond Trustee may conclusively rely on any such certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and

after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

Section 11.11. Funds and Accounts. Any fund required by this Bond Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable and for the protection of the security of the Bonds and the rights of every Holder thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of any principal (or Redemption Price or Purchase Price) of or interest on the Bonds or any sum hereunder or be subject to any personal liability or accountability by reason of the issuance of the Bonds or the execution and delivery of this Bond Indenture; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by this Bond Indenture.

Section 11.13. Business Days. If any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

Section 11.14. Governing Law. This Bond Indenture and the Bonds shall be construed in accordance with and governed by the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth.

Section 11.15. Execution in Several Counterparts. This Bond Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Bond Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.16. Reference to Credit Facility Provider or Liquidity Facility Provider Ineffective. Anything contained in this Bond Indenture, the Loan Agreement or in the Bonds to the contrary notwithstanding, the existence of all rights given to the Liquidity Facility Provider or the Credit Facility Provider with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon its timely and full performance of the payment of properly presented and conforming draws under the Liquidity Facility or the Credit Facility, as the case may be. Any such rights shall not apply at any time there are no Bonds Outstanding or the Liquidity Facility Provider or the Credit Facility Provider has failed to honor a properly presented and conforming draw under the Liquidity Facility or the Credit Facility; the Liquidity Facility Provider or the Credit Facility Provider has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree has been entered appointing a receiver, receivers, custodian or custodians for any of its assets or revenues, or any proceeding shall be instituted with the consent or acquiescence of the Liquidity Facility Provider or the Credit Facility Provider or any plan shall be entered into by the Liquidity Facility Provider or the Credit Facility Provider for

the purpose of effecting a composition between the Liquidity Facility Provider or the Credit Facility Provider, as the case may be, and its creditors or for the purpose of adjusting the claims of such creditors, the Liquidity Facility Provider or the Credit Facility Provider makes any assignment for the benefit of its creditors or the Liquidity Facility Provider or the Credit Facility Provider is generally not paying its debts as such debts become due, the Liquidity Facility Provider or the Credit Facility Provider files a petition in bankruptcy under Title 11 of the United States Code, as amended or the Liquidity Facility or the Credit Facility has been determined to be void or unenforceable by final judgment of a court of competent jurisdiction; provided that this Section 11.16 shall not in any way limit or affect the rights of the Credit Facility Provider or the Liquidity Facility Provider as a Bondholder, as subrogee of a Bondholder or as assignee of a Bondholder, any Reimbursement Obligations or to otherwise be reimbursed and indemnified for its costs and expenses and other payments on or in connection with the Bonds, the Credit Facility or the Liquidity Facility, either by contract or operation of law.

Section 11.17. Entire Agreement. This Bond Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, the Authority has caused this Series 2024C Trust Indenture to be signed in its name and on its behalf by its Executive Director and the Bond Trustee has caused this Series 2024C Trust Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

**PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Executive Director

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Bond Trustee**

By: _____
It's: Authorized Signatory

EXHIBIT A
Form of Bond

[TRANSFER RESTRICTED]

[THIS BOND IS SUBJECT TO THE TRANSFER RESTRICTIONS SET FORTH IN
SECTION 2.17 OF THE BOND INDENTURE]

UNITED STATES OF AMERICA
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
THOMAS JEFFERSON UNIVERSITY TAXABLE FIXED RATE REVENUE BONDS
SERIES 2024C

RC-[] \$ _____

<u>INTEREST RATE AND MODE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
Fixed Rate Mode ([])%	September 1, 20[]		

PRINCIPAL SUM: [] Dollars

REGISTERED HOLDER: CEDE & CO.

THE BONDS AND THE PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, AND INTEREST, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE SOURCES REFERRED TO IN THE BOND INDENTURE AND THE BONDS. NEITHER THE GENERAL CREDIT OF THE AUTHORITY NOR THE CREDIT OR TAXING POWER OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; NOR SHALL THE BONDS BE DEEMED A GENERAL OBLIGATION OF THE AUTHORITY OR AN OBLIGATION OF SAID COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, NOR SHALL SAID COMMONWEALTH OR ANY POLITICAL SUBDIVISION OR INSTRUMENTALITY THEREOF, OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT DESCRIBED HEREIN, BE LIABLE FOR THE PAYMENT OF SUCH PRINCIPAL, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

FOR VALUE RECEIVED, PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the "Authority"), a public instrumentality of the Commonwealth of Pennsylvania organized and existing under the laws of the Commonwealth of Pennsylvania and duly existing under the Pennsylvania Higher Educational Facilities Authority Act of 1967, as amended, for value received, promises to pay to the registered owner named above, or registered assigns, but solely from the funds available under the Bond Indenture (defined herein), amounts payable under the

Loan Agreement (defined herein) and payments on the Master Note (defined herein), which amounts and payments are pledged and assigned for the benefit and payment hereof pursuant to the Bond Indenture and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest on such principal sum from the date hereof at the rates and at the times set forth in the Bond Indenture. Payment of principal or Redemption Price of this Bond shall be made upon the presentation and surrender hereof at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., or its successor or successors, as bond trustee (the “Bond Trustee”) by check, or at the written request of the Registered Owner of at least one million dollars (\$1,000,000) in principal amount of Bonds furnished to the Bond Trustee at least five (5) days prior to the maturity or redemption date, by wire transfer to a wire transfer address within the continental United States. Interest shall be payable by check, or at the written request of the Registered Owner of at least one million dollars (\$1,000,000) in principal amount of Bonds furnished to the Bond Trustee on or prior to the Regular Record Date, by wire transfer to a wire transfer address within the continental United States or as otherwise set forth in the Bond Indenture with respect to Bonds in the Fixed Mode. Interest is payable to the Registered Owners whose names appear on the registration books of the Authority as of the Regular Record Date for such interest payment, which shall be the close of business on the fifteenth day (whether or not a Business Day) of the calendar month preceding the Interest Payment Date. The principal, Redemption Price or Purchase Price of, and the interest on, this Bond are payable 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. Unless otherwise indicated herein, capitalized terms not otherwise defined herein shall have the meaning specified in the Bond Indenture.

This Bond is one of a duly authorized issue of bonds of the Authority designated “Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C” (the “Bonds”) and issued under a Series 2024C Trust Indenture dated as of November 1, 2024 (as from time to time amended or supplemented in accordance with the terms thereof, the “Bond Indenture”), between the Authority and the Bond Trustee. The proceeds of the Bonds will be loaned to Thomas Jefferson University, a Pennsylvania nonprofit corporation (together with its permitted successors and assigns, the “Borrower”), which funds will be used for the purposes described in the Bond Indenture.

Said loan by the Authority to the Borrower of the proceeds of the Bonds will be made under and secured as described in a Series 2024C Loan Agreement, dated as of November 1, 2024 (as from time to time amended or supplemented in accordance with the terms thereof, the “Loan Agreement”), between the Authority and the Borrower. The terms of the Loan Agreement will require payments by the Borrower which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal, Redemption Price or Purchase Price of, and interest on, the Bonds. The Bonds will be secured by, among other things, a promissory note issued in the principal amount of \$[] (the “Master Note”) pursuant to an Amended and Restated Master Trust Indenture (Security Agreement) dated as of February 1, 2022, by and among the Members of the Obligated Group and The Bank of New York Mellon Trust Company, N.A., as master trustee thereunder, as previously amended and supplemented and as it may hereafter be supplemented or modified from time to time and as amended and supplemented by a Fourth Supplement to Amended and Restated Master Trust Indenture (Security Agreement) dated as of November 1, 2024 (collectively, the “Master Indenture”).

The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Bond Indenture, pursuant to which Bond Indenture, the Gross Revenues and the Master Note are pledged and assigned and all of the right, title and interest of the Authority in and to the Loan Agreement (excluding rights to receive any Administrative Fees and Expenses to the extent payable to the Authority and Unassigned Rights) are assigned by the Authority to the Bond Trustee as security for the Bonds.

Reference is made to the Bond Indenture, the Master Indenture and to the Loan Agreement and to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Bond Trustee and the Master Trustee and the rights of the owners of the Bonds, and to all the provisions of which the owner hereof, by the acceptance of this Bond assents.

This Bond is registered on the Registration Books of the Bond Trustee and may be transferred by the registered owner hereof but only in the manner, subject to the limitations and upon the payment of the charges provided in the Bond Indenture.

This Bond may be transferred or exchanged only upon the Registration Books maintained by the Bond Trustee as provided in the Bond Indenture. Upon surrender for transfer or exchange of any Bond at the Corporate Trust Office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity of any Authorized Denominations and of a like aggregate principal amount. The Person in whose name this Bond is registered on the Registration Books shall be deemed and regarded as the absolute Owner hereof for all purposes, except as otherwise provided in the Bond Indenture when a book-entry system is in effect for the Bonds, and payment of or on account of the principal, Redemption Price or Purchase Price of and interest on any such Bond shall be made only to or upon the order of the Registered Owner hereof or his legal representative, but such registration may be changed as provided in the Bond Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

The Bonds are subject to redemption as provided in the Bond Indenture.

The initial Interest Rate Mode applicable to this Bond is identified above. This Bond may be converted to another Interest Rate Mode, subject to the terms and conditions of the Bond Indenture. The method of determining interest in each Interest Rate Mode is described in the Bond Indenture.

Except as otherwise provided in Section 7.14 of the Bond Indenture during the Direct Purchase Mode, the owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon.

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

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Bond Indenture precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by resolution of the Authority duly adopted.

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

IN WITNESS WHEREOF, Pennsylvania Higher Educational Facilities Authority has caused this Bond to be executed in its name by the facsimile signature of its President and attested by the facsimile signature of its Secretary.

PENNSYLVANIA HIGHER EDUCATIONAL
FACILITIES AUTHORITY

By: _____
(Assistant) Secretary

By: _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Bond Indenture. Attached hereto is a copy of the approving opinion of Ballard Spahr LLP, Philadelphia, Pennsylvania, Andre C. Dasent, P.C., Philadelphia, Pennsylvania and John A. Schwab, Pittsburgh, Pennsylvania, a signed original of which are on file with the undersigned which were dated the date of the original delivery of and payment for the Bonds.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Bond Trustee

By: _____
Authorized Signature

Date of Authentication:

A-6

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____
_____, Attorney, to transfer the said Bond on the Registration Books thereof with
full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

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

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EXHIBIT B
Terms of the Bonds

Aggregate Principal Amount: \$[]

Series Issue Date: [], 2024

Interest Payments Dates: Each March 1 and September 1, commencing March 1, 2025.

Maturities, Interest Rates, Yields, Prices and CUSIP Identification Numbers:

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.</u>
	\$	%	%		

\$[] – []% Term Bond, Due September 1, 20[], Yield []%, Price [] CUSIP No.*[]

\$[] – []% Term Bond, Due September 1, 20[], Yield []%, Price [] CUSIP No.† []

Redemption Provisions

(a) Extraordinary Optional Redemption. The Series 2024C Bonds are subject to extraordinary optional redemption, in whole or in part, at the option of the Authority at the written direction of the Borrower, on any Interest Payment Date, in the event a

substantial portion of the Borrower's facilities are destroyed, damaged, condemned or sold in lieu of condemnation, at a Redemption Price equal to 100% of the principal amount of the Series 2024C Bonds to be so redeemed, plus accrued interest thereon to the redemption date, but only with Eligible Moneys at any time at which there is a Credit Facility that is a direct-pay letter of credit in effect with respect to such Bonds.

(i) Optional Redemption. at a Make-Whole Redemption Price, and (ii) on or after [], at a redemption price equal to 100% of the principal amount of the Series 2024C Bonds to be redeemed, together with accrued interest thereon to the redemption date. For purposes of this subsection (i), the following definitions shall apply:

(A) "Make-Whole Redemption Price" means, the greater of (i) 100% of the principal amount of the Series 2024C Bonds of such maturity to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on the Series 2024C Bonds of such maturity to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2024C Bonds are to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus ___ basis points, plus in each case, accrued and unpaid interest on the Series 2024C Bonds being redeemed to the date fixed for redemption.

(B) "Treasury Rate" means, with respect to any redemption date, with respect to the Series 2024C Bonds of a particular maturity, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second business day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

(C) "Comparable Treasury Issue" means, with respect to the Series 2024C Bonds of a particular maturity, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Series 2024C Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2024C Bonds of such maturity to be redeemed.

(D) "Comparable Treasury Price" means, with respect to any redemption date, with respect to the Series 2024C Bonds of a particular maturity, (A) the average of the applicable Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Series 2024C Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

(E) “Independent Investment Banker” means one of the Reference Treasury Dealers as designated by the Authority.

(F) “Reference Treasury Dealer” means each of four firms, as designated by the Authority, and their respective successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the City of New York (a “Primary Treasury Dealer”), the Authority will substitute another Primary Treasury Dealer.

(G) “Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date for the Series 2024C Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to the Authority, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

(H) “Business Day” means any day, other than a Saturday or Sunday, and other than a day on which the Trustee or a Paying Agent (other than the Trustee), as applicable, is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

(b) Sinking Fund Redemption. The Series 2024C Bonds maturing on September 1, 20[] and September 1, 20[] are subject to redemption in part prior to their stated maturity from Sinking Fund Installments in the amounts and on the following dates at a Redemption Price equal to the principal amount thereof, plus interest accrued thereon, if any, to the date fixed for redemption, without premium.

Sinking Fund Installment/Maturity Date (September 1)	Sinking Fund Installment
*	
* Maturity Date.	

Sinking Fund Installment/Maturity Date (September 1)	Sinking Fund Installment
*	

Sinking Fund Installment/Maturity Date (September 1)	Sinking Fund Installment
* Maturity Date.	

EXHIBIT C
Requisition

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
THOMAS JEFFERSON UNIVERSITY
TAXABLE FIXED RATE REVENUE BONDS
SERIES 2024C

PROJECT FUND REQUISITION
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., BOND TRUSTEE

Person to be Paid:

Address:

Nature of expenditure:

Amount to be paid: \$ _____ (“Amount Due”)

The Borrower represents as part of this Requisition that:

There has been no Event of Default in the Bond Indenture.

Each obligation, item of cost or expense mentioned herein has been properly incurred, is a proper charge against the Project Fund and has not been the basis of a previous requisition.

[THIS PAGE INTENTIONALLY LEFT BLANK]

This requisition contains no item representing payments on account of any retained percentage that the Borrower is entitled to retain.

The undersigned hereby irrevocably directs the Bond Trustee to pay the Amount Due (as shown above) to the Person to be Paid (as shown above) in the amounts and from the sources listed below:

\$ _____ from the Expense Account of the Project Fund.

\$ _____ from the Project Fund

Date: _____

THOMAS JEFFERSON UNIVERSITY

By: _____
Authorized Representative

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

and

THOMAS JEFFERSON UNIVERSITY

SERIES 2024B-1 LOAN AGREEMENT

Dated as of November 1, 2024

relating to

\$()

Pennsylvania Higher Educational Facilities Authority
Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1

(and Assignment of Authority's Interest to
The Bank of New York Mellon Trust Company, N.A., as Bond Trustee)

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SERIES 2024B-1 LOAN AGREEMENT

This SERIES 2024B-1 LOAN AGREEMENT (as from time to time amended or supplemented, this “Loan Agreement”), dated as of November 1, 2024, is between PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a body politic and corporate constituting a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”), and THOMAS JEFFERSON UNIVERSITY, a nonprofit corporation organized and existing under the laws of the Commonwealth (“TJU” or the “Borrower”).

BACKGROUND

WHEREAS, the Authority is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth, created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”) for the purposes of, inter alia, acquiring, constructing, improving, maintaining, operating and financing higher educational facilities; and

WHEREAS, has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a “college”, with the rights and powers, inter alia, (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, and (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act; and

WHEREAS, the Authority has deemed TJU to be a “college” within the meaning of the Act; and

WHEREAS, the Authority, at the request of and on behalf of the Borrower, and certain of its affiliates, has determined to issue its Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 in an aggregate principal amount of \$[] (the “Series 2024B-1 Bonds” or the “Bonds”); and

WHEREAS, concurrently with this Loan Agreement, the Authority is entering into a Series 2024B-1 Trust Indenture, dated as of even date herewith (the “Bond Indenture”), with The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”), establishing the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, Redemption Price or Purchase Price thereof and interest thereon; and

WHEREAS, as further security for the Bonds, TJU, as Combined Group Agent, on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee a master note under the Master Indenture (as defined in the Bond Indenture) in an aggregate principal amount equal to \$[] (the “Master Note”); and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the

Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Loan Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Loan Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the capitalized terms in this Loan Agreement shall have the meanings set forth in the Bond Indenture or the Master Indenture, as applicable.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa; and the use of a term of any gender is for convenience only and shall be deemed to mean and include each other gender.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references to “Articles,” “Sections” and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement. The words “herein,” “hereof,” “hereunder” and words of similar import refer to this Loan Agreement as a whole.

Section 1.03. Contents of Certificates and Opinions. Every certificate or opinion provided for in this Loan Agreement with respect to compliance with any provision hereof shall to the extent applicable include: (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based; and (5) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

Any such certificate or opinion made or given by a duly Authorized Representative of the Authority or an officer or duly Authorized Representative of the Borrower may be based, insofar as it relates to legal, accounting or business matters of either of them, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or

representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Loan Agreement, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the Authority. The Authority represents and warrants that:

(a) The Authority is a duly created and validly existing public instrumentality and body corporate and politic of the Commonwealth and is authorized under the Act to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Loan Agreement, the Bonds and the Bond Indenture.

(b) The execution and delivery by the Authority of the Bonds, this Loan Agreement and the Bond Indenture and compliance with the provisions of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement or other instrument to which the Authority is a party or by which it is bound, or, as presently construed, any constitutional or statutory provision, or rule, regulation, ordinance, judgment, order or decree to which the Authority or any of its property, is subject.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending or, to the best of its knowledge, threatened against the Authority (nor is there any basis therefor) (1) which in any way questions the powers of the Authority to enter into this transaction, or the validity of the proceedings taken by the Authority in connection with the issuance of the Bonds, (2) wherein an unfavorable decision, ruling or finding would materially adversely affect the transaction contemplated by this Loan Agreement, the Bond Indenture or Bonds or (3) which in any way would adversely affect the validity or enforceability of the Bonds, this Loan Agreement or the Bond Indenture (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby).

Section 2.02. Representations and Warranties of the Borrower. The Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group, represents and warrants to the Authority that, as of the date of execution of this Loan Agreement and as of the date of delivery

of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) (i) Each Obligated Group is a nonprofit corporation (or is a professional corporation in the case of Kennedy Medical Group Practice, P.C.) duly incorporated under the laws of the Commonwealth or the State of New Jersey (the “State”), as applicable, and (ii) the Borrower has full legal right, power and authority to enter into the Borrower Documents and to carry out and consummate all transactions contemplated hereby and thereby and proper corporate action has duly authorized the execution, delivery and performance of the Borrower Documents.

(b) The officers of the Borrower executing the Borrower Documents are duly and properly in office and fully authorized to execute the same on behalf of the Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group.

(c) The Borrower Documents have been duly authorized, executed and delivered by the Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group.

(d) This Loan Agreement (other than the Unassigned Rights) and the other Borrower Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms for the benefit of the Holders of the Bonds, and obligations of the Borrower with respect to any Unassigned Rights of the Authority hereunder constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower (in the case of such Unassigned Rights for the benefit of the Authority) in accordance with their terms; except, in each case, as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if equitable remedies are sought.

(e) The execution and delivery of the Borrower Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default under the articles of incorporation of the Borrower, its bylaws or any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any material indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents or the financial condition, assets, properties or operations of the Borrower taken as a whole.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority, is necessary in connection with the execution and delivery of the Borrower Documents or heretofore required for the consummation of any transaction herein

or contemplated in the Borrower Documents, except as have been obtained or made and as are in full force and effect.

(g) The Borrower represents that it has all necessary licenses and permits to occupy and operate its existing educational and/or health care facilities, the failure to obtain which would have a material adverse effect on the condition, financial or otherwise, of the Borrower. The facilities financed and refinanced with the Bonds involve “educational facilities” and constitute “projects” within the meaning of the Act. The financing provided by the Bonds has been approved by all necessary governing bodies or agencies having jurisdiction whose approval is currently required

(h) The proceeds of the Bonds will not exceed the Costs of the Project (which, for the avoidance of doubt, includes the costs of the Refunding Project).

ARTICLE III

ISSUANCE OF BONDS AND OBLIGATIONS; APPLICATION OF PROCEEDS OF BONDS

Section 3.01. Issuance of the Bonds; Application of Proceeds of Bonds; Issuance of Master Note.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Series 2024B-1 Bonds in the aggregate principal amount of \$[_____]. The proceeds of the Bonds shall be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. The Borrower hereby approves the Bond Indenture and the issuance of the Bonds thereunder by the Authority, and the assignment thereunder to the Bond Trustee of the right, title and interest (but none of the obligations) of the Authority in this Loan Agreement (except for the Authority’s right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Authority’s Unassigned Rights) and the Master Note.

(b) In consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Bond Indenture, the Borrower agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority or its designee, pursuant to the Fourth Supplement, concurrently with the issuance and delivery of the Bonds, the Master Note in substantially the form set forth in the Fourth Supplement. The Authority agrees that the Master Note shall be registered in the name of the Bond Trustee. The Borrower agrees that the aggregate principal amount of the Master Note shall be in an aggregate principal amount equal to \$[_____]. Issuance and delivery of the Bonds by the Authority shall be a condition of the issuance and delivery of the Master Note.

(c) The Borrower agrees that, except as provided in subsection (d) of this Section, so long as any Bond remains Outstanding, the Master Note shall be issuable only as a single obligation without coupons, registered as to principal and interest in the name of the Bond Trustee, and no transfer of the Master Note shall be registered under the Master Indenture or be recognized by the Borrower except for transfers to a successor Bond Trustee.

(d) Upon the principal of all Obligations Outstanding under the Master Indenture (within the meaning of that term as used in the Master Indenture) being declared immediately due

and payable, the Obligations may be transferred if and to the extent that the Bond Trustee requests that the restrictions of subsection (c) of this Section on transfers be terminated.

(e) Any funds remaining in the Project Fund upon delivery of the Completion Certificate shall be transferred pro rata based upon the aggregate principal amount of each series of Bonds outstanding to each Interest Fund as set forth in Section 5.04 of the Bond Indenture.

ARTICLE IV

LOAN PROCEEDS; REPAYMENT PROVISIONS; PROJECT MODIFICATIONS

Section 4.01. Loan of Bond Proceeds; Loan Repayments.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Bonds and hereby loans and advances to the Borrower, and the Borrower hereby borrows and accepts from the Authority (solely from the proceeds of the sale of such Bonds), the proceeds of the Bonds to be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. In consideration of the loan of such proceeds to the Borrower, the Borrower agrees to pay, or cause to be paid, "Loan Repayments" in an amount sufficient to enable the Bond Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Sections 5.03, 5.04, 5.05 and 5.06 of the Bond Indenture and to pay the Purchase Price of the Bonds as and if required pursuant to Section 4.05 hereof. Each Loan Repayment shall be made in immediately available funds. Notwithstanding the foregoing, the Borrower agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds from time to time Outstanding under the Bond Indenture and other amounts required to be paid under the Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

(b) Except as otherwise expressly provided herein, all amounts payable hereunder by the Borrower to the Authority shall be paid to the Bond Trustee as assignee of the Authority and this Loan Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Bond Trustee so long as any Bonds remain Outstanding.

(c) Notwithstanding the foregoing provisions of this Section 4.01, the Borrower shall receive credit against Loan Repayments required to be made hereunder on any Interest Payment Date, Sinking Fund Installment date, or Maturity Date to the extent that payments are received by the Bond Trustee in an amount sufficient to pay the interest on or principal of the Bonds becoming due and payable on such Interest Payment Date, Sinking Fund Installment date, or Maturity Date, respectively, from any source including from a drawing on the Credit Facility (if any) pursuant to Section 5.08 of the Bond Indenture.

Section 4.02. Additional Payments. In addition to Loan Repayments, the Borrower agrees to pay to the Authority, the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) or the designated agent of any of them, as the case may be, "Additional Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from

payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, at the Borrower's, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee hereunder and under the Bond Indenture, the reasonable fees, charges and expenses of the Remarketing Agent (if any), the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any), as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Borrower Documents, the Bonds or the Bond Indenture; and

(d) The Administrative Fees and Expenses and the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Borrower Documents, the Bonds or the Bond Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving the Borrower Documents, the Bonds or the Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the Borrower Documents; and

(e) All amounts required to be paid pursuant to Sections 5.05 and 6.04 hereof.

(f) Such Additional Payments shall be billed to the Borrower by the Authority or the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any) or the Credit Facility Provider (if any) from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower. The obligations of the Borrower under this Section shall survive the resignation or removal of the Bond Trustee under the Bond Indenture and payment of the Bonds and discharge of the Bond Indenture.

Section 4.03. Credits for Payments. The Borrower shall receive credit against its payments required to be made under Section 4.01, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) on installments of interest in an amount equal to moneys deposited in the Interest Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments;

(b) on installments of principal in an amount equal to moneys deposited in the Bond Sinking Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments;

(c) on installments of principal and interest in an amount equal to the principal amount of Bonds which have been called by the Bond Trustee for redemption prior to maturity and for the redemption of which sufficient amounts (as determined by Section 10.03 of the Bond Indenture) in cash or Defeasance Obligations are on deposit as provided in Section 10.03 of the Bond Indenture to the extent such amounts have not previously been credited against such payments, and the interest on such Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal and interest which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due or called for mandatory redemption; and

(d) on installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Borrower and delivered to the Bond Trustee for cancellation or purchased by the Bond Trustee and cancelled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due, and with respect to Bonds called for mandatory redemption, against principal installments which would have been used to pay Bonds of the same date.

Section 4.04. Prepayment. The Borrower shall have the right at any time or from time to time to prepay all or any part of the Loan Repayments and the Authority agrees that the Bond Trustee shall accept such prepayments when the same are tendered by the Borrower, and the Bond Trustee shall call for redemption Bonds as directed by the Borrower. The Borrower shall be required to prepay Loan Repayments in the amounts and at the times that Bonds are subject to redemption pursuant to the Bond Indenture. All such prepayments (and the additional payment of any amount necessary to pay the Redemption Price payable upon the redemption of Bonds) shall be deposited upon receipt at the Borrower's direction in (i) the Bond Sinking Fund or (ii) the Optional Redemption Fund if the Bonds are to be redeemed pursuant to Section 4.01(a) - (h) of the Bond Indenture (or in such other Bond Trustee escrow account as may be specified by the Borrower) and, at the request of and as determined by the Borrower, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Bond Indenture.

Section 4.05. Payment of Purchase Price. The Borrower agrees that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by the Bond Indenture at the times required under the Bond Indenture, it shall pay to the Bond Trustee the Additional Funding Amount, to the extent required pursuant to Section 4.10(d)(iii) of the Bond Indenture. Each such payment by the Borrower to the Bond Trustee pursuant to this Section shall be in immediately available funds and paid to the Bond Trustee at its Corporate Trust Office by

2:45 p.m., New York City time, on each date upon which a payment is to be made pursuant to Section 4.10(d)(iii) of the Bond Indenture.

Section 4.06. Obligations of the Borrower Unconditional; Net Contract. The obligations of the Borrower to make the Loan Repayments, Additional Payments required and other payments hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, setoff, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain Outstanding or any Additional Payments or other payments remain unpaid, regardless of any contingency, event or cause whatsoever, including, without limiting the generality of the foregoing, any natural disaster, acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to its facilities, commercial frustration of purpose, any changes in the laws of the United States of America or of the Commonwealth or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Authority or the Bond Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement or the Bond Indenture. This Loan Agreement shall be deemed and construed to be a "net contract," and the Borrower shall pay absolutely net the Loan Repayments, Additional Payments and all other payments required hereunder, regardless of any rights of setoff, recoupment, abatement or counterclaim that the Borrower might otherwise have against the Authority or the Bond Trustee or any other party or parties.

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. Tax Covenant. The Borrower, on behalf of itself, the other Combined Group Members (as defined in the Master Indenture), covenants and agrees that it will at all times do and perform all acts and things permitted by law and this Loan Agreement which are necessary in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Borrower, on behalf of itself, the other Combined Group Members (as defined in the Master Indenture), agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

Section 5.02. Indemnification by Borrower.

(a) To the extent permitted by law, the Borrower agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Bond Trustee, its officers, directors, agents and employees (the "Bond Trustee Indemnified Parties") harmless for, from and against any and all liabilities losses, damages, taxes, penalties, costs and expenses (including reasonable attorneys' fees and expenses of the Authority and the Bond Trustee), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature arising from or in any manner directly or indirectly growing out of or connected with the following:

(i) Any injury to or death of any person or damage to property in or upon the Capital Project or the facilities financed or refinanced with proceeds of the Bonds or growing out of or connected with the use, non-use, condition, or occupancy of the Capital Project or the facilities financed or refinanced with proceeds of the Bonds or any part thereof;

(ii) Violation by the Borrower of any agreement, covenant, or condition of any of the Borrower Documents;

(iii) Violation by the Borrower of any agreement, contract, or restriction relating to the Capital Project or the facilities financed or refinanced with proceeds of the Bonds;

(iv) Violation of any law, ordinance, rule, regulation or court order affecting the Capital Project, the facilities financed or refinanced with proceeds of the Bonds or the ownership, occupancy, use thereof or the Bonds or the use thereof;

(v) The offering, issuance, sale or any resale or remarketing of the Bonds or performance of any duties under any of the documents relating to the Bonds, or a violation of any agreement, warranty, covenant or condition of this Loan Agreement or any other agreement executed in connection with this Loan Agreement;

(vi) the use, financing, non-use, condition or occupancy of the Capital Project or the facilities financed or refinanced with proceeds of the Bonds, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any such Capital Project or financed or refinanced facilities including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with such Capital Project or financed or refinanced facilities or used in connection therewith but which are not the result of the willful misconduct of the Authority or the Bond Trustee;

(vii) Any statement, information, or certificate furnished by the Borrower to the Authority that was misleading, untrue, incomplete, or incorrect in any respect when made;

(viii) With respect to the Bond Trustee, the acceptance and/or the administration of the trusts created under the Bond Indenture; and

(ix) With respect to the Authority, to any claim as to the funds paid to the Borrower pursuant to Section 10.04 of the Bond Indenture.

(b) The Borrower also agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Bond Trustee Indemnified Parties harmless for, from, and against any and all liabilities directly or indirectly arising from or relating to any fraud or misrepresentations or omissions contained in the proceedings of the Authority relating to the issuance of the Bonds or pertaining to the financial condition of the Borrower which, if known to the underwriter and the investors initially purchasing the Bonds from the underwriter, might be considered a factor in such Person's decision to purchase the Bonds.

(c) Provided, however, that nothing in paragraphs (a) and (b) of this Section 5.02 shall be deemed to provide indemnification to any Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, with respect to any liabilities arising from the fraud or willful misconduct of such Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable.

(d) Any party entitled to indemnification hereunder shall notify the Borrower of the existence of any claim, demand, or other matter to which the Borrower's indemnification obligation applies, and shall give the Borrower a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable; provided that the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, shall at all times also have the right to fully participate in the defense. If the Authority Indemnified Party and/or the Bond Trustee Indemnified Party is advised in an opinion of counsel that there may be legal defenses available to it which are different from or in addition to those available to the Borrower and if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose reasonably satisfactory to the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower, and the Borrower shall be responsible for the reasonable counsel fees, costs, and expenses of the Authority Indemnified Party and/or the Bond Trustee Indemnified Party, as applicable in conducting its defense. In addition, each of the Authority and the Bond Trustee may, however, retain its own counsel and still be indemnified against the reasonable cost of employing counsel and all other reasonable expenses despite an assumption of the defense by the Borrower if the Authority or the Bond Trustee believes in good faith that (i) there are defenses available to it that are not available to the Borrower or that are adverse to or in conflict with those available to the Borrower or (ii) cannot be effectively asserted by common counsel. The Authority and the Bond Trustee always have the right to employ separate Counsel but, subject to the preceding two sentences, the fees and expenses of its separate Counsel must be paid by the Authority or the Bond Trustee unless the Borrower and the Authority or the Bond Trustee have mutually agreed to the employment of the Authority's or the Bond Trustee's separate Counsel. This Section 5.02 shall survive the termination of this Loan Agreement and the earlier removal or resignation of the Bond Trustee.

(e) All amounts payable to the Authority under this Section 5.02 shall be deemed to be Administrative Fees and Expenses payable to the Authority for the purposes of the provisions hereof and of the Bond Indenture dealing with assignment of the Authority's rights hereunder.

(f) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Authority retains the right to (i) enforce any applicable Federal or Commonwealth law or regulation or resolution of the Authority, and (ii) enforce any rights accorded to the Authority by Federal or Commonwealth law or regulation of the Authority, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

(g) The indemnifications set forth herein shall survive the termination of this Agreement and/or the resignation or removal of the Bond Trustee.

Section 5.03. Continuing Disclosure. The Borrower hereby covenants and agrees that, if required by the provisions of SEC Rule 15c2-12, it will enter into, comply with and carry out all of the provisions of the Continuing Disclosure Agreement with respect to the Bonds that complies with the provisions of SEC Rule 15c2-12, in form and substance satisfactory to the Participating Underwriter (as defined in SEC Rule 15c2-12). Notwithstanding any other provision of this Loan Agreement or the Bond Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered a Loan Default Event or an Event of Default; however, the Bond Trustee may, and, at the request of any Participating Underwriter (as defined in such Continuing Disclosure Agreement) or the Holders of at least 25% in aggregate principal amount of Outstanding Bonds after receiving indemnification to its satisfaction, shall or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section 5.03.

Section 5.04. Liquidity Facility; Alternate Liquidity Facility.

(a) The Borrower may, at any time at its sole option, deliver to the Bond Trustee a Liquidity Facility or an Alternate Liquidity Facility in substitution for a Liquidity Facility, or may, at any time at its sole option (subject to the notice and mandatory tender provisions set out in the Bond Indenture) proceed without a Liquidity Facility with respect to the Bonds available for use by the Bond Trustee to provide for the purchase of Bonds upon their optional or mandatory tender in accordance with the Bond Indenture. Any Liquidity Facility or Alternate Liquidity Facility shall be in an amount equal to the Required Stated Amount.

(b) Any Liquidity Facility or Alternate Liquidity Facility delivered to the Bond Trustee pursuant to this Section 5.04 shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Liquidity Facility or Alternate Liquidity Facility to the Bond Trustee, the Borrower shall furnish to the Bond Trustee (i) if the Liquidity Facility or Alternate Liquidity Facility is issued by a Liquidity Facility Provider other than a domestic commercial bank, an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent that no registration of the Liquidity Facility or Alternate Liquidity Facility is required under the Securities Act of 1933, as amended (the "Securities Act"), and no qualification of the Bond Indenture is required under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or that all applicable registration or qualification requirements have been fulfilled; and (ii) an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent to the effect that such Liquidity Facility or Alternate Liquidity Facility is a valid and enforceable obligation of the issuer thereof.

(c) In lieu of the Opinion of Counsel required by Section 5.04(b)(i) above, there may be delivered an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent to the effect that either (i) at all times during the term of the Liquidity Facility or Alternate Liquidity Facility, the Bonds will be offered, sold and held by Holders in transactions not constituting a

public offering of the Bonds or the Liquidity Facility or Alternate Liquidity Facility under the Securities Act and, accordingly, no registration of the Liquidity Facility or Alternate Liquidity Facility under the Securities Act nor qualification of the Bond Indenture under the Trust Indenture Act will be required in connection with the issuance and delivery of the Liquidity Facility or Alternate Liquidity Facility or the remarketing of the Bonds with the benefits thereof, or (ii) the offering and sale of the Bonds, to the extent evidencing the Liquidity Facility or Alternate Liquidity Facility, has been registered under the Securities Act and any indenture required to be qualified with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (i) of this Section 5.04(c) is given, the Bonds and any transfer records relating to the Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

If Liquidity Facility Bonds are Outstanding as of the date of delivery of a the Liquidity Facility or Alternate Liquidity Facility and held for the benefit of the Liquidity Facility Provider obligated under the Liquidity Facility then in effect, such Liquidity Facility or Alternate Liquidity Facility shall provide for the purchase of such Liquidity Facility Bonds by the new Liquidity Facility Provider as a condition of the effectiveness of such Liquidity Facility or Alternate Liquidity Facility.

Section 5.05. Self-Liquidity Arrangements.

The Borrower, at its sole option, may maintain a Self-Liquidity Arrangement in lieu of a Liquidity Facility. Not less than 30 days prior to the expiration or termination of any existing Liquidity Facility or Credit Facility, if a Liquidity Facility or Credit Facility is in place, or such other date, if a Liquidity Facility or Credit Facility is not in place, the Borrower shall notify the Bond Trustee and the Authority of its intention to provide a Self-Liquidity Arrangement, and the amendments, if any, to this Loan Agreement and the Bond Indenture reasonably necessary to accommodate such self-liquidity. The notice will be accompanied by a Favorable Opinion of Bond Counsel, including to the effect that such changes will not require the Bonds to be registered under the Securities Act, or the Bond Indenture to be qualified under the Trust Indenture Act of 1939 or, if such registration or qualification is required, that it has been accomplished. The notice will also be accompanied by written evidence from each Rating Agency then rating the Bonds of the rating to be assigned to the Bonds by such Rating Agency on and after the date such Self-Liquidity Arrangement becomes effective.

Section 5.06. Credit Facility; Alternate Credit Facility.

(a) The Borrower may, at any time at its sole option (subject to the provisions of the Bond Indenture), furnish a Credit Facility or an Alternate Credit Facility in substitution for a Credit Facility, or may, at any time at its sole option (subject to the notice and mandatory tender provisions set out in the Bond Indenture) proceed without a Credit Facility with respect to the Bonds; provided, however, that while the Bonds are in the Direct Purchase Mode, no Credit Facility may be in effect with respect to the Bonds unless consented to by the Direct Purchaser.

(b) Any Credit Facility or Alternate Credit Facility delivered to the Bond Trustee pursuant to this Section 5.06 shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Credit Facility or Alternate Credit Facility to the Bond Trustee, the Borrower shall furnish to the Bond

Trustee (i) if the Credit Facility or Alternate Credit Facility is issued by a Credit Facility Provider other than a domestic commercial bank, an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent that no registration of the Credit Facility or Alternate Credit Facility is required under the Securities Act, and no qualification of the Bond Indenture is required under the Trust Indenture Act, or that all applicable registration or qualification requirements have been fulfilled and (ii) an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee, and the Remarketing Agent and satisfactory to the Bond Trustee to the effect that such Credit Facility or Alternate Credit Facility is a valid and enforceable obligation of the issuer thereof and such Credit Facility or Alternate Credit Facility complies with the terms hereunder and under the Bond Indenture.

(c) In lieu of the opinion of Counsel required by Section 5.06(b)(i) above, there may be delivered an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent to the effect that either (i) at all times during the term of the Credit Facility or Alternate Credit Facility, the Bonds will be offered, sold and held by Holders in transactions not constituting a public offering of the Bonds or the Credit Facility or Alternate Credit Facility under the Securities Act and, accordingly, no registration of the Credit Facility or Alternate Credit Facility under the Securities Act nor qualification of the Bond Indenture under the Trust Indenture Act will be required in connection with the issuance and delivery of the Credit Facility or Alternate Credit Facility or the remarketing of the Bonds with the benefits thereof, or (ii) the offering and sale of the Bonds, to the extent evidencing the Credit Facility or Alternate Credit Facility, has been registered under the Securities Act and any indenture required to be qualified with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (i) of this Section 5.06(c) is given, the Bonds and any transfer records relating to the Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

If Credit Facility Bonds are Outstanding as of the date of delivery of an Credit Facility or Alternate Credit Facility and held for the benefit of the Credit Facility Provider obligated under the Credit Facility then in effect, such Credit Facility or Alternate Credit Facility shall provide for the purchase of such Credit Facility Bonds by the new Credit Facility Provider as a condition of the effectiveness of such Credit Facility or Alternate Credit Facility.

Section 5.07. Non-Discrimination. The Borrower agrees that the facilities financed or refinanced with the proceeds of the Bonds will be open to all regardless of race, religion, sex or creed. Contractors and subcontractors engaged in the construction or alteration of such facilities shall provide an equal opportunity for employment without unlawful discrimination as to race, religion, sex or creed. The Borrower covenants and agrees that it shall enforce such non-discrimination requirements.

ARTICLE VI

LOAN DEFAULT EVENTS AND REMEDIES

Section 6.01. Loan Default Events. The following events shall be “Loan Default Events:”

(a) Failure by the Borrower to pay in full any payment required hereunder or under the Master Note when due, whether on an interest payment date at maturity, upon a date fixed for prepayment, by declaration, or otherwise pursuant to the terms hereof or thereof;

(b) Failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed herein for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Authority or the Bond Trustee; provided, however, that if the failure is such that it can be corrected but not within such 60-day period, such failure shall not be a Loan Default Event if corrective action is instituted by the Borrower within such period and diligently pursued until such failure is corrected;

(c) Any material representation or warranty made by the Borrower in any document delivered by the Borrower to the Bond Trustee or the Authority in connection with the sale and delivery of the Bonds or the Master Note proves to be untrue when made in any material respect;

(d) An Event of Default under the Bond Indenture or under the Master Indenture; or

(e) The Borrower (i) shall admit in writing its inability to pay its debts generally, (ii) shall make a general assignment for the benefit of creditors, (iii) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (iv) shall take any action to authorize any of the actions described above in this subsection (e), or (v) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

Upon a Responsible Officer of the Bond Trustee having actual knowledge or written notice of the existence of a Loan Default Event, the Bond Trustee shall give written notice thereof to the Borrower unless the Borrower has expressly acknowledged the existence of such Loan Default Event in a writing delivered by the Borrower to the Bond Trustee or filed by the Borrower in any court.

Section 6.02. Remedies on Default. If a Loan Default Event shall occur, then, and in each and every such case during the continuance of such Loan Default Event, the Bond Trustee on behalf of the Authority, subject to the limitations and its protections in the Bond Indenture as to the enforcement of remedies, may, and, during a Direct Purchase Period, with the consent of the Direct Purchaser and at the direction of the Direct Purchaser shall, take such action as it deems necessary or appropriate to collect amounts due hereunder, to enforce performance and observance

of any obligation or agreement of the Borrower hereunder or to protect the interests securing the same, and may, without limiting the generality of the foregoing:

(a) Exercise any or all rights and remedies given hereby or available hereunder or given by or available under any other instrument of any kind securing the Borrower's performance hereunder (including, without limitation, the Master Note and the Master Indenture);

(b) By written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under this Loan Agreement, whereupon the same shall become immediately due and payable;

(c) Take any action at law or in equity to collect the payment required hereunder then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of the Borrower hereunder; and

(d) Notwithstanding any other provision of this Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the payment due hereunder to be immediately due and payable except in accordance with the directions of the Master Trustee if the Master Trustee shall have declared the aggregate principal amount of the Obligations and all interest thereon immediately due and payable in accordance with Section 4.02 of the Master Indenture.

Section 6.03. Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Authority or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or otherwise. In order to entitle the Authority or the Bond Trustee to exercise any remedy, to the extent permitted by law, reserved to it contained in this Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Bond Trustee, and the Bond Trustee may, and, during a Direct Purchase Period, with the consent of the Direct Purchaser and at the direction of the Direct Purchaser shall, exercise any rights of the Authority under this Loan Agreement, and the Bond Trustee and the Holders of the Bonds shall be deemed third-party beneficiaries of all covenants and conditions herein contained.

No delay in exercising or omitting 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 such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.04. Expenses on Default. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Authority or the Bond Trustee should employ attorneys or incur other expenses for the collection of the payments due hereunder, the Borrower

agrees that it will on demand therefor pay to the Authority or the Bond Trustee the reasonable fees and expenses of such attorneys and such other expenses so incurred by the Authority or the Bond Trustee.

Section 6.05. Notice of Default. The Borrower agrees that, as soon as is practicable, and in any event within ten (10) days of a Loan Default Event, the Borrower will furnish the Bond Trustee notice of any event which is a Loan Default Event pursuant to Section 6.01 hereof which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Borrower proposes to take with respect thereto; provided, however, that with respect to a Loan Default Event pursuant to Section 6.01(a), the Bond Trustee shall give the Borrower immediate telephonic notice on the date such default occurs. If the Authority or the Bond Trustee delivers a notice to the Borrower that the Borrower has failed to observe and perform any covenant, condition or agreement on its part to be observed or performed under the terms of this Loan Agreement other than under Section 6.01(a) then, upon request, the Borrower shall furnish to the Bond Trustee a certificate stating that such default is such that it can be corrected but not within the period set forth in Section 6.01(b) above and that corrective action capable of remedying such default has been instituted and is being diligently pursued and will be diligently pursued until the default is corrected. The Borrower shall notify the Bond Trustee when such default has been corrected. The Bond Trustee shall be entitled to conclusively rely upon any such certificate given pursuant to this Section.

Section 6.06. Assignment by Authority or Bond Trustee. This Loan Agreement, including the right to receive payments required to be made by the Borrower hereunder and to compel or otherwise enforce performance by the Borrower of its other obligations hereunder and thereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Authority or the Bond Trustee at any time subsequent to its execution without the necessity of obtaining the consent of the Borrower. The Authority expressly acknowledges that all right, title and interest of the Authority in and to this Loan Agreement (excluding Unassigned Rights) have been assigned to the Bond Trustee, as security for the Bonds under and as provided in the Bond Indenture, and that if any Loan Default Event shall occur, the Bond Trustee shall be entitled to act hereunder in the place and stead of the Authority.

Section 6.07. Application of Moneys Collected. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the provisions of Article VII of the Bond Indenture, and to the extent applied to the payment of amounts due on the Series 2024B Bonds shall be credited against amounts due on the Master Note.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Further Assurances. The Borrower agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Bond Trustee to carry out the intention or to facilitate the performance of this Loan Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 7.02. Notices. All notices or communications herein required or permitted to be given shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the respective addresses set forth in Section 11.07 of the Bond Indenture. The Authority, the Borrower, the Bond Trustee may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 7.03. Waiver of Personal Liability. No member, officer, agent, attorney, or employee of the Authority or any member, director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal (or Redemption Price) of or interest on the Bonds or any other sum hereunder or under the Bond Indenture or the Obligations or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement or the Master Note; but nothing herein contained shall relieve any such member, director, officer, agent, or employee from the performance of any official duty provided by law or required by this Loan Agreement or the Master Note.

Section 7.04. Governing Law; Venue. This Loan Agreement shall be construed in accordance with and governed by the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth.

Section 7.05. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Borrower and their respective successors and assigns, subject, however, to the limitations contained herein. This Loan Agreement may not be assigned by the Borrower without the prior consent of the Bond Trustee and any assignment in contradiction hereof shall be void.

Section 7.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Loan Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Loan Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Loan Agreement, and this Loan Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Borrower each hereby declares that it would have entered into this Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

Section 7.07. Loan Agreement Represents Complete Agreement; Amendments; Supplements. This Loan Agreement represents the entire agreement between the parties. The Borrower, with the written consent of the Authority and the Bond Trustee given in accordance with the provisions of the Bond Indenture, may from time to time enter into such amendments or supplements to this Loan Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof.

Section 7.08. Execution of Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 7.09. Term of Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the Bonds is Outstanding or the Bond Trustee holds any moneys under the Bond Indenture, whichever is later.

Section 7.10. Survival of Covenants. Notwithstanding the payment in full of the Bonds, the discharge of the Bond Indenture, and the termination or expiration of this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the Series 2024B Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this Loan Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the immunity of the Authority's directors, officers, counsel, financial advisors, and agents, (g) the Authority's lack of pecuniary liability, and (h) the Borrower's obligations under Section 5.03 hereof shall survive and remain in full force and effect.

Section 7.11. Default by Authority; Limited Liability. The Bonds are special, limited obligations of the Authority. Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of the Bonds, this Loan Agreement, the Bond Indenture, or the Bondholder Agreement shall be construed so as to give rise to any liability of the Commonwealth or any political subdivision thereof, or the Authority, or to give rise to a charge upon the general credit of the Commonwealth or any political subdivision thereof, or the Authority, and the Authority shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Bond Trustee pursuant to this Loan Agreement and the Master Note. All such liability, if any, is expressly waived and released by the Holders of the Bonds by the acceptance of the Bonds. The liability of the Authority hereunder shall be limited to its interest in the Project, the facilities financed and refinanced with proceeds of the Bonds, this Loan Agreement and all other related documents and collateral and the lien of any judgment shall be restricted thereto, and the Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Master Note, the Bonds or the Bond Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement or from the Members under the Master Note. In the performance of the agreements of the Authority herein contained, any obligation it may incur for the payment of money shall not be a debt of the Authority, nor shall the Authority be liable on any obligation so incurred. The Authority does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds shall not constitute a debt or liability of the Commonwealth or of any political subdivision thereof other than the Authority (to the limited extent hereinabove provided). The issuance of the Bonds under the provisions of the Act or the Bond Indenture do not, directly or indirectly, or contingently, obligate the Commonwealth or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the general credit of the Authority nor the credit or taxing power of the Commonwealth or of any political subdivision thereof shall in any event be liable for the payment of the principal or Redemption Price or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge,

mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any political subdivision thereof or any charge upon either of its general credit or its taxing power. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Holders of the Bonds or the Borrower if a default shall occur hereunder or under the Bond Indenture.

[signature pages follow]

Notwithstanding anything to the contrary contained herein or in the Bond Indenture, the Bonds, the Bondholder Agreement, or any document relating to the foregoing, the Authority shall have no liability, legal, moral or otherwise, except from the Revenues and other moneys and assets received by the Bond Trustee pursuant to this Loan Agreement and the Master Note, to any Owner of the Bonds, the Bond Trustee, any underwriter for the Project, the Bonds, or the Borrower in connection with the Bonds, the Bond Indenture, this Loan Agreement, or any other document executed or used in connection herewith or therewith, including, without limitation, any liability or loss resulting from or suffered upon (a) the occurrence of any default under the foregoing documents or the security instruments referred to therein, (b) any diminution in the value of the Revenues or any collateral given to secure the Bonds, (c) any failure to perfect a lien or security interest in or against the Revenues or any collateral given to secure the Bonds, (d) any misrepresentation of the Authority, (e) the inaccuracy of or failure to complete any information or document submitted by the Authority to the Internal Revenue Service, (f) the failure of the Authority to comply with any applicable requirements of the Code (including, without limitation, any registration requirements relating to the Bonds, any requirements under Section 148 of the Code, including any rebate requirements imposed on the Authority, or if the weighted average maturity of the Bonds exceeds 120% of the reasonably expected weighted average economic life of the facilities to be financed or refinanced with the proceeds of the Bonds within the meaning of Section 147(b) of the Code, or (g) any other cause, matter, or thing whatsoever.

No recourse shall be had for any claim based on any of this Loan Agreement, the Bond Indenture, the Bonds, or any document delivered with respect to any of this Loan Agreement, the Bond Indenture, or the Bonds against any member, officer, agent, representative, or employee, past, present or future, of the Authority, either directly or indirectly, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise.

Whether or not therein expressly so provided, every provision of the Bond Indenture (other than Section 11.01 thereof) relating to the conduct or affecting the liability of the Authority shall be subject to the provisions of this Section.

Section 7.12. Bond Indenture Provisions. The Bond Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Authority to the Borrower pursuant to this Loan Agreement, and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower was an express party to the Bond Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Bond Indenture as fully as if the Borrower was a party to the Bond Indenture.

IN WITNESS WHEREOF, the Authority and the Borrower have caused this Series 2024B-1 Loan Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first written above.

**PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Executive Director

THOMAS JEFFERSON UNIVERSITY

By: _____
Name: Alfred C. Salvato
Title: SVP Finance, Chief Investment
Officer and Treasurer

EXHIBIT A

Assignment

ASSIGNMENT

KNOW ALL PERSONS BY THESE PRESENTS that PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the "Authority") does hereby sell, assign, transfer and set over to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate trust office in Philadelphia, Pennsylvania, as Bond Trustee under the Series 2024B-1 Trust Indenture dated as of November 1, 2024, all the right, title and interest of the Authority (other than the Unassigned Rights) in and to the Series 2024B-1 Loan Agreement dated as of November 1, 2024 (the "Loan Agreement", between the Authority and Thomas Jefferson University, as well as all loan payments and other payments payable or which may become payable thereunder (except for amounts representing the reimbursement of the Authority's Administrative Fees and Expenses and the right to indemnification as provided in the Loan Agreement), the same to be held in trust and applied by said Bond Trustee as provided in said Indenture; and the Authority does hereby constitute and appoint Bond Trustee as aforesaid, its true and lawful attorney for it and in its name to collect and receive payment of any and all of said loan payments and other payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that said attorney may do in the premises. Said Bond Trustee may, but, except as otherwise provided in said Bond Indenture shall not be required to, institute any proceedings or take any action in its name or in the name of the Authority to enforce payment or collection of any or all of such loan payments and contributions and payments on account of such loan payments.

(a) Notwithstanding such assignment and transfer, so long as no Event of Default under the Loan Agreement has occurred and is continuing and the Authority shall not be in default under the Bond Indenture:

(b) The Authority shall have the right and duty to give all approvals and consents permitted or required under the Loan Agreement;

(c) The Authority shall have the right to execute supplements and/or amendments to the Loan Agreement to the extent and in the manner permitted by the Indenture; and

(d) There shall be no responsibility on the part of the Bond Trustee for duties or responsibilities of the Authority contained in the Loan Agreement or in any supplements and/or amendments thereto.

IN WITNESS WHEREOF, PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY has caused this Assignment to be duly executed in its name by its Executive Director, all as of the date first above written.

PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY

By: _____
Executive Director

PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

and

THOMAS JEFFERSON UNIVERSITY

SERIES 2024B-2 LOAN AGREEMENT

Dated as of December 1, 2024

relating to

\$()

Pennsylvania Higher Educational Facilities Authority
Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2

(and Assignment of Authority's Interest to
The Bank of New York Mellon Trust Company, N.A., as Bond Trustee)

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SERIES 2024B-2 LOAN AGREEMENT

This SERIES 2024B-2 LOAN AGREEMENT (as from time to time amended or supplemented, this “Loan Agreement”), dated as of December 1, 2024, is between PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a body politic and corporate constituting a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”), and THOMAS JEFFERSON UNIVERSITY, a nonprofit corporation organized and existing under the laws of the Commonwealth (“TJU” or the “Borrower”).

BACKGROUND

WHEREAS, the Authority is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth, created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”) for the purposes of, inter alia, acquiring, constructing, improving, maintaining, operating and financing higher educational facilities; and

WHEREAS, has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a “college”, with the rights and powers, inter alia, (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, and (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act; and

WHEREAS, the Authority has deemed TJU to be a “college” within the meaning of the Act; and

WHEREAS, the Authority, at the request of and on behalf of the Borrower, and certain of its affiliates, has determined to issue its Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2 in an aggregate principal amount of \$[] (the “Series 2024B-2 Bonds” or the “Bonds”); and

WHEREAS, concurrently with this Loan Agreement, the Authority is entering into a Series 2024B-2 Trust Indenture, dated as of even date herewith (the “Bond Indenture”), with The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”), establishing the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, Redemption Price or Purchase Price thereof and interest thereon; and

WHEREAS, as further security for the Bonds, TJU, as Combined Group Agent, on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee a master note under the Master Indenture (as defined in the Bond Indenture) in an aggregate principal amount equal to \$[] (the “Master Note”); and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the

Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Loan Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Loan Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the capitalized terms in this Loan Agreement shall have the meanings set forth in the Bond Indenture or the Master Indenture, as applicable.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa; and the use of a term of any gender is for convenience only and shall be deemed to mean and include each other gender.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references to “Articles,” “Sections” and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement. The words “herein,” “hereof,” “hereunder” and words of similar import refer to this Loan Agreement as a whole.

Section 1.03. Contents of Certificates and Opinions. Every certificate or opinion provided for in this Loan Agreement with respect to compliance with any provision hereof shall to the extent applicable include: (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based; and (5) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

Any such certificate or opinion made or given by a duly Authorized Representative of the Authority or an officer or duly Authorized Representative of the Borrower may be based, insofar as it relates to legal, accounting or business matters of either of them, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or

representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Loan Agreement, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the Authority. The Authority represents and warrants that:

(a) The Authority is a duly created and validly existing public instrumentality and body corporate and politic of the Commonwealth and is authorized under the Act to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Loan Agreement, the Bonds and the Bond Indenture.

(b) The execution and delivery by the Authority of the Bonds, this Loan Agreement and the Bond Indenture and compliance with the provisions of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement or other instrument to which the Authority is a party or by which it is bound, or, as presently construed, any constitutional or statutory provision, or rule, regulation, ordinance, judgment, order or decree to which the Authority or any of its property, is subject.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending or, to the best of its knowledge, threatened against the Authority (nor is there any basis therefor) (1) which in any way questions the powers of the Authority to enter into this transaction, or the validity of the proceedings taken by the Authority in connection with the issuance of the Bonds, (2) wherein an unfavorable decision, ruling or finding would materially adversely affect the transaction contemplated by this Loan Agreement, the Bond Indenture or Bonds or (3) which in any way would adversely affect the validity or enforceability of the Bonds, this Loan Agreement or the Bond Indenture (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby).

Section 2.02. Representations and Warranties of the Borrower. The Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group, represents and warrants to the Authority that, as of the date of execution of this Loan Agreement and as of the date of delivery

of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) (i) Each Obligated Group is a nonprofit corporation (or is a professional corporation in the case of Kennedy Medical Group Practice, P.C.) duly incorporated under the laws of the Commonwealth or the State of New Jersey (the "State"), as applicable, and (ii) the Borrower has full legal right, power and authority to enter into the Borrower Documents and to carry out and consummate all transactions contemplated hereby and thereby and proper corporate action has duly authorized the execution, delivery and performance of the Borrower Documents.

(b) The officers of the Borrower executing the Borrower Documents are duly and properly in office and fully authorized to execute the same on behalf of the Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group.

(c) The Borrower Documents have been duly authorized, executed and delivered by the Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group.

(d) This Loan Agreement (other than the Unassigned Rights) and the other Borrower Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms for the benefit of the Holders of the Bonds, and obligations of the Borrower with respect to any Unassigned Rights of the Authority hereunder constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower (in the case of such Unassigned Rights for the benefit of the Authority) in accordance with their terms; except, in each case, as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(e) The execution and delivery of the Borrower Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default under the articles of incorporation of the Borrower, its bylaws or any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any material indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents or the financial condition, assets, properties or operations of the Borrower taken as a whole.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority, is necessary in connection with the execution and delivery of the Borrower Documents or heretofore required for the consummation of any transaction herein

or contemplated in the Borrower Documents, except as have been obtained or made and as are in full force and effect.

(g) The Borrower represents that it has all necessary licenses and permits to occupy and operate its existing educational and/or health care facilities, the failure to obtain which would have a material adverse effect on the condition, financial or otherwise, of the Borrower. The facilities financed and refinanced with the Bonds involve "educational facilities" and constitute "projects" within the meaning of the Act. The financing provided by the Bonds has been approved by all necessary governing bodies or agencies having jurisdiction whose approval is currently required

(h) The proceeds of the Bonds will not exceed the Costs of the Project (which, for the avoidance of doubt, includes the costs of the Refunding Project).

ARTICLE III

ISSUANCE OF BONDS AND OBLIGATIONS; APPLICATION OF PROCEEDS OF BONDS

Section 3.01. Issuance of the Bonds; Application of Proceeds of Bonds; Issuance of Master Note.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Series 2024B-2 Bonds in the aggregate principal amount of \$[_____]. The proceeds of the Bonds shall be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. The Borrower hereby approves the Bond Indenture and the issuance of the Bonds thereunder by the Authority, and the assignment thereunder to the Bond Trustee of the right, title and interest (but none of the obligations) of the Authority in this Loan Agreement (except for the Authority's right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Authority's Unassigned Rights) and the Master Note.

(b) In consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Bond Indenture, the Borrower agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority or its designee, pursuant to the Fourth Supplement, concurrently with the issuance and delivery of the Bonds, the Master Note in substantially the form set forth in the Fourth Supplement. The Authority agrees that the Master Note shall be registered in the name of the Bond Trustee. The Borrower agrees that the aggregate principal amount of the Master Note shall be in an aggregate principal amount equal to \$[_____]. Issuance and delivery of the Bonds by the Authority shall be a condition of the issuance and delivery of the Master Note.

(c) The Borrower agrees that, except as provided in subsection (d) of this Section, so long as any Bond remains Outstanding, the Master Note shall be issuable only as a single obligation without coupons, registered as to principal and interest in the name of the Bond Trustee, and no transfer of the Master Note shall be registered under the Master Indenture or be recognized by the Borrower except for transfers to a successor Bond Trustee.

(d) Upon the principal of all Obligations Outstanding under the Master Indenture (within the meaning of that term as used in the Master Indenture) being declared immediately due

and payable, the Obligations may be transferred if and to the extent that the Bond Trustee requests that the restrictions of subsection (c) of this Section on transfers be terminated.

(e) Any funds remaining in the Project Fund upon delivery of the Completion Certificate shall be transferred pro rata based upon the aggregate principal amount of each series of Bonds outstanding to each Interest Fund as set forth in Section 5.04 of the Bond Indenture.

ARTICLE IV

LOAN PROCEEDS; REPAYMENT PROVISIONS; PROJECT MODIFICATIONS

Section 4.01. Loan of Bond Proceeds; Loan Repayments.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Bonds and hereby loans and advances to the Borrower, and the Borrower hereby borrows and accepts from the Authority (solely from the proceeds of the sale of such Bonds), the proceeds of the Bonds to be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. In consideration of the loan of such proceeds to the Borrower, the Borrower agrees to pay, or cause to be paid, "Loan Repayments" in an amount sufficient to enable the Bond Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Sections 5.03, 5.04, 5.05 and 5.06 of the Bond Indenture and to pay the Purchase Price of the Bonds as and if required pursuant to Section 4.05 hereof. Each Loan Repayment shall be made in immediately available funds. Notwithstanding the foregoing, the Borrower agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds from time to time Outstanding under the Bond Indenture and other amounts required to be paid under the Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

(b) Except as otherwise expressly provided herein, all amounts payable hereunder by the Borrower to the Authority shall be paid to the Bond Trustee as assignee of the Authority and this Loan Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Bond Trustee so long as any Bonds remain Outstanding.

(c) Notwithstanding the foregoing provisions of this Section 4.01, the Borrower shall receive credit against Loan Repayments required to be made hereunder on any Interest Payment Date, Sinking Fund Installment date, or Maturity Date to the extent that payments are received by the Bond Trustee in an amount sufficient to pay the interest on or principal of the Bonds becoming due and payable on such Interest Payment Date, Sinking Fund Installment date, or Maturity Date, respectively, from any source including from a drawing on the Credit Facility (if any) pursuant to Section 5.08 of the Bond Indenture.

Section 4.02. Additional Payments. In addition to Loan Repayments, the Borrower agrees to pay to the Authority, the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) or the designated agent of any of them, as the case may be, "Additional Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from

payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee hereunder and under the Bond Indenture, the reasonable fees, charges and expenses of the Remarketing Agent (if any), the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any), as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Borrower Documents, the Bonds or the Bond Indenture; and

(d) The Administrative Fees and Expenses and the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Borrower Documents, the Bonds or the Bond Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving the Borrower Documents, the Bonds or the Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the Borrower Documents; and

(e) All amounts required to be paid pursuant to Sections 5.05 and 6.04 hereof.

(f) Such Additional Payments shall be billed to the Borrower by the Authority or the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any) or the Credit Facility Provider (if any) from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower. The obligations of the Borrower under this Section shall survive the resignation or removal of the Bond Trustee under the Bond Indenture and payment of the Bonds and discharge of the Bond Indenture.

Section 4.03. Credits for Payments. The Borrower shall receive credit against its payments required to be made under Section 4.01, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) on installments of interest in an amount equal to moneys deposited in the Interest Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments;

(b) on installments of principal in an amount equal to moneys deposited in the Bond Sinking Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments;

(c) on installments of principal and interest in an amount equal to the principal amount of Bonds which have been called by the Bond Trustee for redemption prior to maturity and for the redemption of which sufficient amounts (as determined by Section 10.03 of the Bond Indenture) in cash or Defeasance Obligations are on deposit as provided in Section 10.03 of the Bond Indenture to the extent such amounts have not previously been credited against such payments, and the interest on such Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal and interest which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due or called for mandatory redemption; and

(d) on installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Borrower and delivered to the Bond Trustee for cancellation or purchased by the Bond Trustee and cancelled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due, and with respect to Bonds called for mandatory redemption, against principal installments which would have been used to pay Bonds of the same date.

Section 4.04. Prepayment. The Borrower shall have the right at any time or from time to time to prepay all or any part of the Loan Repayments and the Authority agrees that the Bond Trustee shall accept such prepayments when the same are tendered by the Borrower, and the Bond Trustee shall call for redemption Bonds as directed by the Borrower. The Borrower shall be required to prepay Loan Repayments in the amounts and at the times that Bonds are subject to redemption pursuant to the Bond Indenture. All such prepayments (and the additional payment of any amount necessary to pay the Redemption Price payable upon the redemption of Bonds) shall be deposited upon receipt at the Borrower's direction in (i) the Bond Sinking Fund or (ii) the Optional Redemption Fund if the Bonds are to be redeemed pursuant to Section 4.01(a) - (h) of the Bond Indenture (or in such other Bond Trustee escrow account as may be specified by the Borrower) and, at the request of and as determined by the Borrower, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Bond Indenture.

Section 4.05. Payment of Purchase Price. The Borrower agrees that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by the Bond Indenture at the times required under the Bond Indenture, it shall pay to the Bond Trustee the Additional Funding Amount, to the extent required pursuant to Section 4.10(d)(iii) of the Bond Indenture. Each such payment by the Borrower to the Bond Trustee pursuant to this Section shall be in immediately available funds and paid to the Bond Trustee at its Corporate Trust Office by

2:45 p.m., New York City time, on each date upon which a payment is to be made pursuant to Section 4.10(d)(iii) of the Bond Indenture.

Section 4.06. Obligations of the Borrower Unconditional; Net Contract. The obligations of the Borrower to make the Loan Repayments, Additional Payments required and other payments hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, setoff, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain Outstanding or any Additional Payments or other payments remain unpaid, regardless of any contingency, event or cause whatsoever, including, without limiting the generality of the foregoing, any natural disaster, acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to its facilities, commercial frustration of purpose, any changes in the laws of the United States of America or of the Commonwealth or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Authority or the Bond Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement or the Bond Indenture. This Loan Agreement shall be deemed and construed to be a "net contract," and the Borrower shall pay absolutely net the Loan Repayments, Additional Payments and all other payments required hereunder, regardless of any rights of setoff, recoupment, abatement or counterclaim that the Borrower might otherwise have against the Authority or the Bond Trustee or any other party or parties.

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. Tax Covenant. The Borrower, on behalf of itself, the other Combined Group Members (as defined in the Master Indenture), covenants and agrees that it will at all times do and perform all acts and things permitted by law and this Loan Agreement which are necessary in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Borrower, on behalf of itself, the other Combined Group Members (as defined in the Master Indenture), agrees to comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

Section 5.02. Indemnification by Borrower.

(a) To the extent permitted by law, the Borrower agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Bond Trustee, its officers, directors, agents and employees (the "Bond Trustee Indemnified Parties") harmless for, from and against any and all liabilities losses, damages, taxes, penalties, costs and expenses (including reasonable attorneys' fees and expenses of the Authority and the Bond Trustee), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature arising from or in any manner directly or indirectly growing out of or connected with the following:

(i) Any injury to or death of any person or damage to property in or upon the facilities financed or refinanced with proceeds of the Bonds or growing out of or connected with the use, non-use, condition, or occupancy of the facilities financed or refinanced with proceeds of the Bonds or any part thereof;

(ii) Violation by the Borrower of any agreement, covenant, or condition of any of the Borrower Documents;

(iii) Violation by the Borrower of any agreement, contract, or restriction relating to the facilities financed or refinanced with proceeds of the Bonds;

(iv) Violation of any law, ordinance, rule, regulation or court order affecting the facilities financed or refinanced with proceeds of the Bonds or the ownership, occupancy, use thereof or the Bonds or the use thereof;

(v) The offering, issuance, sale or any resale or remarketing of the Bonds or performance of any duties under any of the documents relating to the Bonds, or a violation of any agreement, warranty, covenant or condition of this Loan Agreement or any other agreement executed in connection with this Loan Agreement;

(vi) the use, financing, non-use, condition or occupancy of the facilities financed or refinanced with proceeds of the Bonds, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any such financed or refinanced facilities including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with such financed or refinanced facilities or used in connection therewith but which are not the result of the willful misconduct of the Authority or the Bond Trustee;

(vii) Any statement, information, or certificate furnished by the Borrower to the Authority that was misleading, untrue, incomplete, or incorrect in any respect when made;

(viii) With respect to the Bond Trustee, the acceptance and/or the administration of the trusts created under the Bond Indenture; and

(ix) With respect to the Authority, to any claim as to the funds paid to the Borrower pursuant to Section 10.04 of the Bond Indenture.

(b) The Borrower also agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Bond Trustee Indemnified Parties harmless for, from, and against any and all liabilities directly or indirectly arising from or relating to any fraud or misrepresentations or omissions contained in the proceedings of the Authority relating to the issuance of the Bonds or pertaining to the financial condition of the Borrower which, if known to the underwriter and the investors initially purchasing the Bonds from the underwriter, might be considered a factor in such Person's decision to purchase the Bonds.

(c) Provided, however, that nothing in paragraphs (a) and (b) of this Section 5.02 shall be deemed to provide indemnification to any Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, with respect to any liabilities arising from the fraud or willful

misconduct of such Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable.

(d) Any party entitled to indemnification hereunder shall notify the Borrower of the existence of any claim, demand, or other matter to which the Borrower's indemnification obligation applies, and shall give the Borrower a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable; provided that the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, shall at all times also have the right to fully participate in the defense. If the Authority Indemnified Party and/or the Bond Trustee Indemnified Party is advised in an opinion of counsel that there may be legal defenses available to it which are different from or in addition to those available to the Borrower and if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose reasonably satisfactory to the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower, and the Borrower shall be responsible for the reasonable counsel fees, costs, and expenses of the Authority Indemnified Party and/ or the Bond Trustee Indemnified Party, as applicable in conducting its defense. In addition, each of the Authority and the Bond Trustee may, however, retain its own counsel and still be indemnified against the reasonable cost of employing counsel and all other reasonable expenses despite an assumption of the defense by the Borrower if the Authority or the Bond Trustee believes in good faith that (i) there are defenses available to it that are not available to the Borrower or that are adverse to or in conflict with those available to the Borrower or (ii) cannot be effectively asserted by common counsel. The Authority and the Bond Trustee always have the right to employ separate Counsel but, subject to the preceding two sentences, the fees and expenses of its separate Counsel must be paid by the Authority or the Bond Trustee unless the Borrower and the Authority or the Bond Trustee have mutually agreed to the employment of the Authority's or the Bond Trustee's separate Counsel. This Section 5.02 shall survive the termination of this Loan Agreement and the earlier removal or resignation of the Bond Trustee.

(e) All amounts payable to the Authority under this Section 5.02 shall be deemed to be Administrative Fees and Expenses payable to the Authority for the purposes of the provisions hereof and of the Bond Indenture dealing with assignment of the Authority's rights hereunder.

(f) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Authority retains the right to (i) enforce any applicable Federal or Commonwealth law or regulation or resolution of the Authority, and (ii) enforce any rights accorded to the Authority by Federal or Commonwealth law or regulation of the Authority, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

(g) The indemnifications set forth herein shall survive the termination of this Agreement and/or the resignation or removal of the Bond Trustee.

Section 5.03. Continuing Disclosure. The Borrower hereby covenants and agrees that, if required by the provisions of SEC Rule 15c2-12, it will enter into, comply with and carry out all of the provisions of the Continuing Disclosure Agreement with respect to the Bonds that complies with the provisions of SEC Rule 15c2-12, in form and substance satisfactory to the Participating Underwriter (as defined in SEC Rule 15c2-12). Notwithstanding any other provision of this Loan Agreement or the Bond Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered a Loan Default Event or an Event of Default; however, the Bond Trustee may, and, at the request of any Participating Underwriter (as defined in such Continuing Disclosure Agreement) or the Holders of at least 25% in aggregate principal amount of Outstanding Bonds after receiving indemnification to its satisfaction, shall or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section 5.03.

Section 5.04. Liquidity Facility; Alternate Liquidity Facility.

(a) The Borrower may, at any time at its sole option, deliver to the Bond Trustee a Liquidity Facility or an Alternate Liquidity Facility in substitution for a Liquidity Facility, or may, at any time at its sole option (subject to the notice and mandatory tender provisions set out in the Bond Indenture) proceed without a Liquidity Facility with respect to the Bonds available for use by the Bond Trustee to provide for the purchase of Bonds upon their optional or mandatory tender in accordance with the Bond Indenture. Any Liquidity Facility or Alternate Liquidity Facility shall be in an amount equal to the Required Stated Amount.

(b) Any Liquidity Facility or Alternate Liquidity Facility delivered to the Bond Trustee pursuant to this Section 5.04 shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Liquidity Facility or Alternate Liquidity Facility to the Bond Trustee, the Borrower shall furnish to the Bond Trustee (i) if the Liquidity Facility or Alternate Liquidity Facility is issued by a Liquidity Facility Provider other than a domestic commercial bank, an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent that no registration of the Liquidity Facility or Alternate Liquidity Facility is required under the Securities Act of 1933, as amended (the "Securities Act"), and no qualification of the Bond Indenture is required under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or that all applicable registration or qualification requirements have been fulfilled; and (ii) an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent to the effect that such Liquidity Facility or Alternate Liquidity Facility is a valid and enforceable obligation of the issuer thereof.

(c) In lieu of the Opinion of Counsel required by Section 5.04(b)(i) above, there may be delivered an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent to the effect that either (i) at all times during the term of the Liquidity Facility or Alternate Liquidity Facility, the Bonds will be offered, sold and held by Holders in transactions not constituting a public offering of the Bonds or the Liquidity Facility or Alternate Liquidity Facility under the Securities Act and, accordingly, no registration of the Liquidity Facility or Alternate Liquidity Facility under the Securities Act nor qualification of the Bond Indenture under the Trust Indenture

Act will be required in connection with the issuance and delivery of the Liquidity Facility or Alternate Liquidity Facility or the remarketing of the Bonds with the benefits thereof, or (ii) the offering and sale of the Bonds, to the extent evidencing the Liquidity Facility or Alternate Liquidity Facility, has been registered under the Securities Act and any indenture required to be qualified with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (i) of this Section 5.04(c) is given, the Bonds and any transfer records relating to the Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

If Liquidity Facility Bonds are Outstanding as of the date of delivery of a the Liquidity Facility or Alternate Liquidity Facility and held for the benefit of the Liquidity Facility Provider obligated under the Liquidity Facility then in effect, such Liquidity Facility or Alternate Liquidity Facility shall provide for the purchase of such Liquidity Facility Bonds by the new Liquidity Facility Provider as a condition of the effectiveness of such Liquidity Facility or Alternate Liquidity Facility.

Section 5.05. Self-Liquidity Arrangements.

The Borrower, at its sole option, may maintain a Self-Liquidity Arrangement in lieu of a Liquidity Facility. Not less than 30 days prior to the expiration or termination of any existing Liquidity Facility or Credit Facility, if a Liquidity Facility or Credit Facility is in place, or such other date, if a Liquidity Facility or Credit Facility is not in place, the Borrower shall notify the Bond Trustee and the Authority of its intention to provide a Self-Liquidity Arrangement, and the amendments, if any, to this Loan Agreement and the Bond Indenture reasonably necessary to accommodate such self-liquidity. The notice will be accompanied by a Favorable Opinion of Bond Counsel, including to the effect that such changes will not require the Bonds to be registered under the Securities Act, or the Bond Indenture to be qualified under the Trust Indenture Act of 1939 or, if such registration or qualification is required, that it has been accomplished. The notice will also be accompanied by written evidence from each Rating Agency then rating the Bonds of the rating to be assigned to the Bonds by such Rating Agency on and after the date such Self-Liquidity Arrangement becomes effective.

Section 5.06. Credit Facility; Alternate Credit Facility.

(a) The Borrower may, at any time at its sole option (subject to the provisions of the Bond Indenture), furnish a Credit Facility or an Alternate Credit Facility in substitution for a Credit Facility, or may, at any time at its sole option (subject to the notice and mandatory tender provisions set out in the Bond Indenture) proceed without a Credit Facility with respect to the Bonds; provided, however, that while the Bonds are in the Direct Purchase Mode, no Credit Facility may be in effect with respect to the Bonds unless consented to by the Direct Purchaser.

(b) Any Credit Facility or Alternate Credit Facility delivered to the Bond Trustee pursuant to this Section 5.06 shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Credit Facility or Alternate Credit Facility to the Bond Trustee, the Borrower shall furnish to the Bond Trustee (i) if the Credit Facility or Alternate Credit Facility is issued by a Credit Facility Provider other than a domestic commercial bank, an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and

the Remarketing Agent that no registration of the Credit Facility or Alternate Credit Facility is required under the Securities Act, and no qualification of the Bond Indenture is required under the Trust Indenture Act, or that all applicable registration or qualification requirements have been fulfilled and (ii) an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee, and the Remarketing Agent and satisfactory to the Bond Trustee to the effect that such Credit Facility or Alternate Credit Facility is a valid and enforceable obligation of the issuer thereof and such Credit Facility or Alternate Credit Facility complies with the terms hereunder and under the Bond Indenture.

(c) In lieu of the opinion of Counsel required by Section 5.06(b)(i) above, there may be delivered an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent to the effect that either (i) at all times during the term of the Credit Facility or Alternate Credit Facility, the Bonds will be offered, sold and held by Holders in transactions not constituting a public offering of the Bonds or the Credit Facility or Alternate Credit Facility under the Securities Act and, accordingly, no registration of the Credit Facility or Alternate Credit Facility under the Securities Act nor qualification of the Bond Indenture under the Trust Indenture Act will be required in connection with the issuance and delivery of the Credit Facility or Alternate Credit Facility or the remarketing of the Bonds with the benefits thereof, or (ii) the offering and sale of the Bonds, to the extent evidencing the Credit Facility or Alternate Credit Facility, has been registered under the Securities Act and any indenture required to be qualified with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (i) of this Section 5.06(c) is given, the Bonds and any transfer records relating to the Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

If Credit Facility Bonds are Outstanding as of the date of delivery of an Credit Facility or Alternate Credit Facility and held for the benefit of the Credit Facility Provider obligated under the Credit Facility then in effect, such Credit Facility or Alternate Credit Facility shall provide for the purchase of such Credit Facility Bonds by the new Credit Facility Provider as a condition of the effectiveness of such Credit Facility or Alternate Credit Facility.

Section 5.07. Non-Discrimination. The Borrower agrees that the facilities financed or refinanced with the proceeds of the Bonds will be open to all regardless of race, religion, sex or creed. The Borrower covenants and agrees that it shall enforce such non-discrimination requirements.

ARTICLE VI

LOAN DEFAULT EVENTS AND REMEDIES

Section 6.01. Loan Default Events. The following events shall be “Loan Default Events:”

(a) Failure by the Borrower to pay in full any payment required hereunder or under the Master Note when due, whether on an interest payment date at maturity, upon a date fixed for prepayment, by declaration, or otherwise pursuant to the terms hereof or thereof;

(b) Failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed herein for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Authority or the Bond Trustee; provided, however, that if the failure is such that it can be corrected but not within such 60-day period, such failure shall not be a Loan Default Event if corrective action is instituted by the Borrower within such period and diligently pursued until such failure is corrected;

(c) Any material representation or warranty made by the Borrower in any document delivered by the Borrower to the Bond Trustee or the Authority in connection with the sale and delivery of the Bonds or the Master Note proves to be untrue when made in any material respect;

(d) An Event of Default under the Bond Indenture or under the Master Indenture; or

(e) The Borrower (i) shall admit in writing its inability to pay its debts generally, (ii) shall make a general assignment for the benefit of creditors, (iii) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (iv) shall take any action to authorize any of the actions described above in this subsection (e), or (v) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

Upon a Responsible Officer of the Bond Trustee having actual knowledge or written notice of the existence of a Loan Default Event, the Bond Trustee shall give written notice thereof to the Borrower unless the Borrower has expressly acknowledged the existence of such Loan Default Event in a writing delivered by the Borrower to the Bond Trustee or filed by the Borrower in any court.

Section 6.02. Remedies on Default. If a Loan Default Event shall occur, then, and in each and every such case during the continuance of such Loan Default Event, the Bond Trustee on behalf of the Authority, subject to the limitations and its protections in the Bond Indenture as to the enforcement of remedies, may, and, during a Direct Purchase Period, with the consent of the Direct Purchaser and at the direction of the Direct Purchaser shall, take such action as it deems necessary or appropriate to collect amounts due hereunder, to enforce performance and observance of any obligation or agreement of the Borrower hereunder or to protect the interests securing the same, and may, without limiting the generality of the foregoing:

(a) Exercise any or all rights and remedies given hereby or available hereunder or given by or available under any other instrument of any kind securing the Borrower's performance hereunder (including, without limitation, the Master Note and the Master Indenture);

(b) By written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under this Loan Agreement, whereupon the same shall become immediately due and payable;

(c) Take any action at law or in equity to collect the payment required hereunder then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of the Borrower hereunder; and

(d) Notwithstanding any other provision of this Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the payment due hereunder to be immediately due and payable except in accordance with the directions of the Master Trustee if the Master Trustee shall have declared the aggregate principal amount of the Obligations and all interest thereon immediately due and payable in accordance with Section 4.02 of the Master Indenture.

Section 6.03. Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Authority or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or otherwise. In order to entitle the Authority or the Bond Trustee to exercise any remedy, to the extent permitted by law, reserved to it contained in this Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Bond Trustee, and the Bond Trustee may, and, during a Direct Purchase Period, with the consent of the Direct Purchaser and at the direction of the Direct Purchaser shall, exercise any rights of the Authority under this Loan Agreement, and the Bond Trustee and the Holders of the Bonds shall be deemed third-party beneficiaries of all covenants and conditions herein contained.

No delay in exercising or omitting 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 such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.04. Expenses on Default. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Authority or the Bond Trustee should employ attorneys or incur other expenses for the collection of the payments due hereunder, the Borrower agrees that it will on demand therefor pay to the Authority or the Bond Trustee the reasonable fees and expenses of such attorneys and such other expenses so incurred by the Authority or the Bond Trustee.

Section 6.05. Notice of Default. The Borrower agrees that, as soon as is practicable, and in any event within ten (10) days of a Loan Default Event, the Borrower will furnish the Bond Trustee notice of any event which is a Loan Default Event pursuant to Section 6.01 hereof which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Borrower proposes to take with respect thereto; provided, however, that with respect to a Loan Default Event pursuant to Section 6.01(a), the Bond Trustee shall give the Borrower immediate telephonic notice on the date such default occurs. If the Authority or the Bond Trustee delivers a notice to the Borrower that the Borrower has failed to observe and perform any covenant, condition or agreement on its part to be observed or performed under the terms of this Loan Agreement other than under Section 6.01(a) then, upon request, the Borrower shall furnish to the Bond Trustee a certificate stating that such default is such that it can be corrected but not within the period set forth in Section 6.01(b) above and that corrective action capable of remedying such default has been instituted and is being diligently pursued and will be diligently pursued until the default is corrected. The Borrower shall notify the Bond Trustee when such default has been corrected. The Bond Trustee shall be entitled to conclusively rely upon any such certificate given pursuant to this Section.

Section 6.06. Assignment by Authority or Bond Trustee. This Loan Agreement, including the right to receive payments required to be made by the Borrower hereunder and to compel or otherwise enforce performance by the Borrower of its other obligations hereunder and thereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Authority or the Bond Trustee at any time subsequent to its execution without the necessity of obtaining the consent of the Borrower. The Authority expressly acknowledges that all right, title and interest of the Authority in and to this Loan Agreement (excluding Unassigned Rights) have been assigned to the Bond Trustee, as security for the Bonds under and as provided in the Bond Indenture, and that if any Loan Default Event shall occur, the Bond Trustee shall be entitled to act hereunder in the place and stead of the Authority.

Section 6.07. Application of Moneys Collected. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the provisions of Article VII of the Bond Indenture, and to the extent applied to the payment of amounts due on the Series 2024B Bonds shall be credited against amounts due on the Master Note.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Further Assurances. The Borrower agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Bond Trustee to carry out the intention or to facilitate the performance of this Loan Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 7.02. Notices. All notices or communications herein required or permitted to be given shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the respective addresses set forth in Section 11.07 of the Bond Indenture. The Authority,

the Borrower, the Bond Trustee may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 7.03. Waiver of Personal Liability. No member, officer, agent, attorney, or employee of the Authority or any member, director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal (or Redemption Price) of or interest on the Bonds or any other sum hereunder or under the Bond Indenture or the Obligations or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement or the Master Note; but nothing herein contained shall relieve any such member, director, officer, agent, or employee from the performance of any official duty provided by law or required by this Loan Agreement or the Master Note.

Section 7.04. Governing Law; Venue. This Loan Agreement shall be construed in accordance with and governed by the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth.

Section 7.05. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Borrower and their respective successors and assigns, subject, however, to the limitations contained herein. This Loan Agreement may not be assigned by the Borrower without the prior consent of the Bond Trustee and any assignment in contradiction hereof shall be void.

Section 7.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Loan Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Loan Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Loan Agreement, and this Loan Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Borrower each hereby declares that it would have entered into this Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

Section 7.07. Loan Agreement Represents Complete Agreement; Amendments; Supplements. This Loan Agreement represents the entire agreement between the parties. The Borrower, with the written consent of the Authority and the Bond Trustee given in accordance with the provisions of the Bond Indenture, may from time to time enter into such amendments or supplements to this Loan Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof.

Section 7.08. Execution of Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 7.09. Term of Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the Bonds is Outstanding or the Bond Trustee holds any moneys under the Bond Indenture, whichever is later.

Section 7.10. Survival of Covenants. Notwithstanding the payment in full of the Bonds, the discharge of the Bond Indenture, and the termination or expiration of this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the Series 2024B Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this Loan Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Authority's right to rely on facts or certificates, (f) the immunity of the Authority's directors, officers, counsel, financial advisors, and agents, (g) the Authority's lack of pecuniary liability, and (h) the Borrower's obligations under Section 5.03 hereof shall survive and remain in full force and effect.

Section 7.11. Default by Authority; Limited Liability. The Bonds are special, limited obligations of the Authority. Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of the Bonds, this Loan Agreement, the Bond Indenture, or the Bondholder Agreement shall be construed so as to give rise to any liability of the Commonwealth or any political subdivision thereof, or the Authority, or to give rise to a charge upon the general credit of the Commonwealth or any political subdivision thereof, or the Authority, and the Authority shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Bond Trustee pursuant to this Loan Agreement and the Master Note. All such liability, if any, is expressly waived and released by the Holders of the Bonds by the acceptance of the Bonds. The liability of the Authority hereunder shall be limited to its interest in the Project, the facilities financed and refinanced with proceeds of the Bonds, this Loan Agreement and all other related documents and collateral and the lien of any judgment shall be restricted thereto, and the Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Master Note, the Bonds or the Bond Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement or from the Members under the Master Note. In the performance of the agreements of the Authority herein contained, any obligation it may incur for the payment of money shall not be a debt of the Authority, nor shall the Authority be liable on any obligation so incurred. The Authority does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds shall not constitute a debt or liability of the Commonwealth or of any political subdivision thereof other than the Authority (to the limited extent hereinabove provided). The issuance of the Bonds under the provisions of the Act or the Bond Indenture do not, directly or indirectly, or contingently, obligate the Commonwealth or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the general credit of the Authority nor the credit or taxing power of the Commonwealth or of any political subdivision thereof shall in any event be liable for the payment of the principal or Redemption Price or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any political subdivision thereof or any charge upon either of its general credit or its taxing power. The Authority shall not be required to do any act whatsoever or exercise any

diligence whatsoever to mitigate the damages to the Holders of the Bonds or the Borrower if a default shall occur hereunder or under the Bond Indenture.

Notwithstanding anything to the contrary contained herein or in the Bond Indenture, the Bonds, the Bondholder Agreement, or any document relating to the foregoing, the Authority shall have no liability, legal, moral or otherwise, except from the Revenues and other moneys and assets received by the Bond Trustee pursuant to this Loan Agreement and the Master Note, to any Owner of the Bonds, the Bond Trustee, any underwriter for the Project, the Bonds, or the Borrower in connection with the Bonds, the Bond Indenture, this Loan Agreement, or any other document executed or used in connection herewith or therewith, including, without limitation, any liability or loss resulting from or suffered upon (a) the occurrence of any default under the foregoing documents or the security instruments referred to therein, (b) any diminution in the value of the Revenues or any collateral given to secure the Bonds, (c) any failure to perfect a lien or security interest in or against the Revenues or any collateral given to secure the Bonds, (d) any misrepresentation of the Authority, (e) the inaccuracy of or failure to complete any information or document submitted by the Authority to the Internal Revenue Service, (f) the failure of the Authority to comply with any applicable requirements of the Code (including, without limitation, any registration requirements relating to the Bonds, any requirements under Section 148 of the Code, including any rebate requirements imposed on the Authority, or if the weighted average maturity of the Bonds exceeds 120% of the reasonably expected weighted average economic life of the facilities to be financed or refinanced with the proceeds of the Bonds within the meaning of Section 147(b) of the Code, or (g) any other cause, matter, or thing whatsoever.

No recourse shall be had for any claim based on any of this Loan Agreement, the Bond Indenture, the Bonds, or any document delivered with respect to any of this Loan Agreement, the Bond Indenture, or the Bonds against any member, officer, agent, representative, or employee, past, present or future, of the Authority, either directly or indirectly, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise.

Whether or not therein expressly so provided, every provision of the Bond Indenture (other than Section 11.01 thereof) relating to the conduct or affecting the liability of the Authority shall be subject to the provisions of this Section.

Section 7.12. Bond Indenture Provisions. The Bond Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Authority to the Borrower pursuant to this Loan Agreement, and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower was an express party to the Bond Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Bond Indenture as fully as if the Borrower was a party to the Bond Indenture.

[signature pages follow]

IN WITNESS WHEREOF, the Authority and the Borrower have caused this Series 2024B-2 Loan Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first written above.

**PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Executive Director

THOMAS JEFFERSON UNIVERSITY

By: _____
Name: Alfred C. Salvato
Title: SVP Finance, Chief Investment
Officer and Treasurer

EXHIBIT A

Assignment

A-1

ASSIGNMENT

KNOW ALL PERSONS BY THESE PRESENTS that PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”) does hereby sell, assign, transfer and set over to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate trust office in Philadelphia, Pennsylvania, as Bond Trustee under the Series 2024B-2 Trust Indenture dated as of December 1, 2024, all the right, title and interest of the Authority (other than the Unassigned Rights) in and to the Series 2024B-2 Loan Agreement dated as of December 1, 2024 (the “Loan Agreement”, between the Authority and Thomas Jefferson University, as well as all loan payments and other payments payable or which may become payable thereunder (except for amounts representing the reimbursement of the Authority’s Administrative Fees and Expenses and the right to indemnification as provided in the Loan Agreement), the same to be held in trust and applied by said Bond Trustee as provided in said Indenture; and the Authority does hereby constitute and appoint Bond Trustee as aforesaid, its true and lawful attorney for it and in its name to collect and receive payment of any and all of said loan payments and other payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that said attorney may do in the premises. Said Bond Trustee may, but, except as otherwise provided in said Bond Indenture shall not be required to, institute any proceedings or take any action in its name or in the name of the Authority to enforce payment or collection of any or all of such loan payments and contributions and payments on account of such loan payments.

(a) Notwithstanding such assignment and transfer, so long as no Event of Default under the Loan Agreement has occurred and is continuing and the Authority shall not be in default under the Bond Indenture:

(b) The Authority shall have the right and duty to give all approvals and consents permitted or required under the Loan Agreement;

(c) The Authority shall have the right to execute supplements and/or amendments to the Loan Agreement to the extent and in the manner permitted by the Indenture; and

(d) There shall be no responsibility on the part of the Bond Trustee for duties or responsibilities of the Authority contained in the Loan Agreement or in any supplements and/or amendments thereto.

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IN WITNESS WHEREOF, PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES
AUTHORITY has caused this Assignment to be duly executed in its name by its Executive
Director, all as of the date first above written.

PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY

By: _____
Executive Director

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PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY

and

THOMAS JEFFERSON UNIVERSITY

SERIES 2024C LOAN AGREEMENT

Dated as of November 1, 2024

relating to

\$()

Pennsylvania Higher Educational Facilities Authority
Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C

(and Assignment of Authority’s Interest to
The Bank of New York Mellon Trust Company, N.A., as Bond Trustee)

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SERIES 2024C LOAN AGREEMENT

This SERIES 2024C LOAN AGREEMENT (as from time to time amended or supplemented, this “Loan Agreement”), dated as of November 1, 2024, is between PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a body politic and corporate constituting a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”), and THOMAS JEFFERSON UNIVERSITY, a nonprofit corporation organized and existing under the laws of the Commonwealth (“TJU” or the “Borrower”).

BACKGROUND

WHEREAS, the Authority is a body corporate and politic constituting a public corporation and public instrumentality of the Commonwealth, created by the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) (the “Act”) for the purposes of, inter alia, acquiring, constructing, improving, maintaining, operating and financing higher educational facilities; and

WHEREAS, has been organized for the purpose of acquiring, constructing, financing, improving, maintaining and operating any educational facility of a “college”, with the rights and powers, inter alia, (i) to finance projects for colleges by making loans to such colleges, which loans may be evidenced by, and secured as provided in, loan agreements, security agreements or other contracts, instruments or agreements, and (ii) to borrow money for the purpose of paying all or any part of the costs of construction, acquisition, financing, alteration, enlargement, reconstruction and rehabilitation of any educational facility which the Authority is authorized to acquire, construct, finance, improve, install, maintain or operate under the Act; and

WHEREAS, the Authority has deemed TJU to be a “college” within the meaning of the Act; and

WHEREAS, the Authority, at the request of and on behalf of the Borrower, and certain of its affiliates, has determined to issue its Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C in an aggregate principal amount of \$[] (the “Series 2024C Bonds” or the “Bonds”); and

WHEREAS, concurrently with this Loan Agreement, the Authority is entering into a Series 2024C Trust Indenture, dated as of even date herewith (the “Bond Indenture”), with The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”), establishing the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal, Redemption Price or Purchase Price thereof and interest thereon; and

WHEREAS, as further security for the Bonds, TJU, as Combined Group Agent, on behalf of itself and the other Members of the Obligated Group named therein, will execute and deliver to the Bond Trustee a master note under the Master Indenture (as defined in the Bond Indenture) in an aggregate principal amount equal to \$[] (the “Master Note”); and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the

Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Loan Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Loan Agreement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the capitalized terms in this Loan Agreement shall have the meanings set forth in the Bond Indenture or the Master Indenture, as applicable.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa; and the use of a term of any gender is for convenience only and shall be deemed to mean and include each other gender.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references to “Articles,” “Sections” and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement. The words “herein,” “hereof,” “hereunder” and words of similar import refer to this Loan Agreement as a whole.

Section 1.03. Contents of Certificates and Opinions. Every certificate or opinion provided for in this Loan Agreement with respect to compliance with any provision hereof shall to the extent applicable include: (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, such Person has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion with respect to the subject matter referred to in the instrument to which such Person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based; and (5) a statement as to whether, in the opinion of such Person, such provision has been satisfied.

Any such certificate or opinion made or given by a duly Authorized Representative of the Authority or an officer or duly Authorized Representative of the Borrower may be based, insofar as it relates to legal, accounting or business matters of either of them, upon a certificate or opinion of or representation by counsel, an accountant or a management consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or

representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant or a management consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority or the Borrower, as the case may be) upon a certificate or opinion of or representation by an officer of the Authority or the Borrower, unless such counsel, accountant or management consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person’s certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority or the Borrower, or the same counsel or accountant or management consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Loan Agreement, but different officers, counsel, accountants or management consultants may certify to different matters, respectively.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the Authority. The Authority represents and warrants that:

(a) The Authority is a duly created and validly existing public instrumentality and body corporate and politic of the Commonwealth and is authorized under the Act to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Loan Agreement, the Bonds and the Bond Indenture.

(b) The execution and delivery by the Authority of the Bonds, this Loan Agreement and the Bond Indenture and compliance with the provisions of such instruments will not conflict with or constitute a breach of, or default under, any indenture, commitment, agreement or other instrument to which the Authority is a party or by which it is bound, or, as presently construed, any constitutional or statutory provision, or rule, regulation, ordinance, judgment, order or decree to which the Authority or any of its property, is subject.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending or, to the best of its knowledge, threatened against the Authority (nor is there any basis therefor) (1) which in any way questions the powers of the Authority to enter into this transaction, or the validity of the proceedings taken by the Authority in connection with the issuance of the Bonds, (2) wherein an unfavorable decision, ruling or finding would materially adversely affect the transaction contemplated by this Loan Agreement, the Bond Indenture or Bonds or (3) which in any way would adversely affect the validity or enforceability of the Bonds, this Loan Agreement or the Bond Indenture (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby).

Section 2.02. Representations and Warranties of the Borrower. The Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group, represents and warrants to the Authority that, as of the date of execution of this Loan Agreement and as of the date of delivery

of the Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) (i) Each Obligated Group Member is a nonprofit corporation (or is a professional corporation in the case of Kennedy Medical Group Practice, P.C.) duly incorporated under the laws of the Commonwealth or the State of New Jersey (the "State"), as applicable, and (ii) the Borrower has full legal right, power and authority to enter into the Borrower Documents and to carry out and consummate all transactions contemplated hereby and thereby and proper corporate action has duly authorized the execution, delivery and performance of the Borrower Documents.

(b) The officers of the Borrower executing the Borrower Documents are duly and properly in office and fully authorized to execute the same on behalf of the Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group.

(c) The Borrower Documents have been duly authorized, executed and delivered by the Borrower, for itself and as the Combined Group Agent on behalf of the Obligated Group.

(d) This Loan Agreement (other than the Unassigned Rights) and the other Borrower Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms for the benefit of the Holders of the Bonds, and obligations of the Borrower with respect to any Unassigned Rights of the Authority hereunder constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower (in the case of such Unassigned Rights for the benefit of the Authority) in accordance with their terms; except, in each case, as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(e) The execution and delivery of the Borrower Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default under the articles of incorporation of the Borrower, its bylaws or any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any material indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Borrower is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Borrower Documents or the financial condition, assets, properties or operations of the Obligated Group taken as a whole.

(f) No consent or approval of any trustee or holder of any indebtedness of the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority, is necessary in connection with the execution and delivery of the Borrower Documents or heretofore required for the consummation of any transaction herein

or contemplated in the Borrower Documents, except as have been obtained or made and as are in full force and effect.

(g) The Borrower represents that it has all necessary licenses and permits to occupy and operate its existing educational and/or health care facilities, the failure to obtain which would have a material adverse effect on the condition, financial or otherwise, of the Borrower. The facilities financed and refinanced with the Bonds involve "educational facilities" and constitute "projects" within the meaning of the Act. The financing provided by the Bonds has been approved by all necessary governing bodies or agencies having jurisdiction whose approval is currently required

(h) The proceeds of the Bonds will not exceed the Costs of the Project (which, for the avoidance of doubt, includes the costs of the Refunding Project).

ARTICLE III

ISSUANCE OF BONDS AND OBLIGATIONS; APPLICATION OF PROCEEDS OF BONDS

Section 3.01. Issuance of the Bonds; Application of Proceeds of Bonds; Issuance of Master Note.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Series 2024C Bonds in the aggregate principal amount of \$[_____]. The proceeds of the Bonds shall be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. The Borrower hereby approves the Bond Indenture and the issuance of the Bonds thereunder by the Authority, and the assignment thereunder to the Bond Trustee of the right, title and interest (but none of the obligations) of the Authority in this Loan Agreement (except for the Authority's right to receive any Administrative Fees and Expenses to the extent payable to the Authority and the Authority's Unassigned Rights) and the Master Note.

(b) In consideration of the issuance of the Bonds by the Authority and the application of the proceeds thereof as provided in the Bond Indenture, the Borrower agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Authority or its designee, pursuant to the Fourth Supplement, concurrently with the issuance and delivery of the Bonds, the Master Note in substantially the form set forth in the Fourth Supplement. The Authority agrees that the Master Note shall be registered in the name of the Bond Trustee. The Borrower agrees that the aggregate principal amount of the Master Note shall be in an aggregate principal amount equal to \$[_____]. Issuance and delivery of the Bonds by the Authority shall be a condition of the issuance and delivery of the Master Note.

(c) The Borrower agrees that, except as provided in subsection (d) of this Section, so long as any Bond remains Outstanding, the Master Note shall be issuable only as a single obligation without coupons, registered as to principal and interest in the name of the Bond Trustee, and no transfer of the Master Note shall be registered under the Master Indenture or be recognized by the Borrower except for transfers to a successor Bond Trustee.

(d) Upon the principal of all Obligations Outstanding under the Master Indenture (within the meaning of that term as used in the Master Indenture) being declared immediately due

and payable, the Obligations may be transferred if and to the extent that the Bond Trustee requests that the restrictions of subsection (c) of this Section on transfers be terminated.

(e) Any funds remaining in the Project Fund upon delivery of the Completion Certificate shall be transferred pro rata based upon the aggregate principal amount of each series of Bonds outstanding to each Interest Fund as set forth in Section 5.04 of the Bond Indenture.

ARTICLE IV

LOAN PROCEEDS; REPAYMENT PROVISIONS; PROJECT MODIFICATIONS

Section 4.01. Loan of Bond Proceeds; Loan Repayments.

(a) Pursuant to the Bond Indenture, the Authority has authorized the issuance of the Bonds and hereby loans and advances to the Borrower, and the Borrower hereby borrows and accepts from the Authority (solely from the proceeds of the sale of such Bonds), the proceeds of the Bonds to be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. In consideration of the loan of such proceeds to the Borrower, the Borrower agrees to pay, or cause to be paid, "Loan Repayments" in an amount sufficient to enable the Bond Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Sections 5.03, 5.04, 5.05 and 5.06 of the Bond Indenture and to pay the Purchase Price of the Bonds as and if required pursuant to Section 4.05 hereof. Each Loan Repayment shall be made in immediately available funds. Notwithstanding the foregoing, the Borrower agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds from time to time Outstanding under the Bond Indenture and other amounts required to be paid under the Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

(b) Except as otherwise expressly provided herein, all amounts payable hereunder by the Borrower to the Authority shall be paid to the Bond Trustee as assignee of the Authority and this Loan Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Bond Trustee so long as any Bonds remain Outstanding.

(c) Notwithstanding the foregoing provisions of this Section 4.01, the Borrower shall receive credit against Loan Repayments required to be made hereunder on any Interest Payment Date, Sinking Fund Installment date, or Maturity Date to the extent that payments are received by the Bond Trustee in an amount sufficient to pay the interest on or principal of the Bonds becoming due and payable on such Interest Payment Date, Sinking Fund Installment date, or Maturity Date, respectively, from any source including from a drawing on the Credit Facility (if any) pursuant to Section 5.08 of the Bond Indenture.

Section 4.02. Additional Payments. In addition to Loan Repayments, the Borrower agrees to pay to the Authority, the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any), the Credit Facility Provider (if any) or the designated agent of any of them, as the case may be, "Additional Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from

payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee hereunder and under the Bond Indenture, the reasonable fees, charges and expenses of the Remarketing Agent (if any), the Liquidity Facility Provider (if any) and the Credit Facility Provider (if any), as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the Borrower Documents, the Bonds or the Bond Indenture; and

(d) The Administrative Fees and Expenses and the reasonable fees and expenses of the Authority or any agent or attorney selected by the Authority to act on its behalf in connection with the Borrower Documents, the Bonds or the Bond Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving the Borrower Documents, the Bonds or the Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the Borrower Documents; and

(e) All amounts required to be paid pursuant to Sections 5.05 and 6.04 hereof.

(f) Such Additional Payments shall be billed to the Borrower by the Authority or the Bond Trustee, the Remarketing Agent (if any), the Liquidity Facility Provider (if any) or the Credit Facility Provider (if any) from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower. The obligations of the Borrower under this Section shall survive the resignation or removal of the Bond Trustee under the Bond Indenture and payment of the Bonds and discharge of the Bond Indenture.

Section 4.03. Credits for Payments. The Borrower shall receive credit against its payments required to be made under Section 4.01, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) on installments of interest in an amount equal to moneys deposited in the Interest Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments;

(b) on installments of principal in an amount equal to moneys deposited in the Bond Sinking Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments;

(c) on installments of principal and interest in an amount equal to the principal amount of Bonds which have been called by the Bond Trustee for redemption prior to maturity and for the redemption of which sufficient amounts (as determined by Section 10.03 of the Bond Indenture) in cash or Defeasance Obligations are on deposit as provided in Section 10.03 of the Bond Indenture to the extent such amounts have not previously been credited against such payments, and the interest on such Bonds from and after the date fixed for redemption thereof. Such credits shall be made against the installments of principal and interest which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due or called for mandatory redemption; and

(d) on installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Borrower and delivered to the Bond Trustee for cancellation or purchased by the Bond Trustee and cancelled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due, and with respect to Bonds called for mandatory redemption, against principal installments which would have been used to pay Bonds of the same date.

Section 4.04. Prepayment. The Borrower shall have the right at any time or from time to time to prepay all or any part of the Loan Repayments and the Authority agrees that the Bond Trustee shall accept such prepayments when the same are tendered by the Borrower, and the Bond Trustee shall call for redemption Bonds as directed by the Borrower. The Borrower shall be required to prepay Loan Repayments in the amounts and at the times that Bonds are subject to redemption pursuant to the Bond Indenture. All such prepayments (and the additional payment of any amount necessary to pay the Redemption Price payable upon the redemption of Bonds) shall be deposited upon receipt at the Borrower's direction in (i) the Bond Sinking Fund or (ii) the Optional Redemption Fund if the Bonds are to be redeemed pursuant to Section 4.01(a) - (h) of the Bond Indenture (or in such other Bond Trustee escrow account as may be specified by the Borrower) and, at the request of and as determined by the Borrower, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Bond Indenture.

Section 4.05. Payment of Purchase Price. The Borrower agrees that, if a Liquidity Facility or a Credit Facility is not in effect with respect to the Bonds or if the Liquidity Facility Provider or Credit Facility Provider, as applicable, has not paid the full amount required by the Bond Indenture at the times required under the Bond Indenture, it shall pay to the Bond Trustee the Additional Funding Amount, to the extent required pursuant to Section 4.10(d)(iii) of the Bond Indenture. Each such payment by the Borrower to the Bond Trustee pursuant to this Section shall be in immediately available funds and paid to the Bond Trustee at its Corporate Trust Office by

2:45 p.m., New York City time, on each date upon which a payment is to be made pursuant to Section 4.10(d)(iii) of the Bond Indenture.

Section 4.06. Obligations of the Borrower Unconditional; Net Contract. The obligations of the Borrower to make the Loan Repayments, Additional Payments required and other payments hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, setoff, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any Bonds remain Outstanding or any Additional Payments or other payments remain unpaid, regardless of any contingency, event or cause whatsoever, including, without limiting the generality of the foregoing, any natural disaster, acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to its facilities, commercial frustration of purpose, any changes in the laws of the United States of America or of the Commonwealth or any political subdivision of either or in the rules or regulations of any governmental authority, or any failure of the Authority or the Bond Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement or the Bond Indenture. This Loan Agreement shall be deemed and construed to be a "net contract," and the Borrower shall pay absolutely net the Loan Repayments, Additional Payments and all other payments required hereunder, regardless of any rights of setoff, recoupment, abatement or counterclaim that the Borrower might otherwise have against the Authority or the Bond Trustee or any other party or parties.

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. [Reserved].

Section 5.02. Indemnification by Borrower.

(a) To the extent permitted by law, the Borrower agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Bond Trustee, its officers, directors, agents and employees (the "Bond Trustee Indemnified Parties") harmless for, from and against any and all liabilities losses, damages, taxes, penalties, costs and expenses (including reasonable attorneys' fees and expenses of the Authority and the Bond Trustee), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature arising from or in any manner directly or indirectly growing out of or connected with the following:

(i) Any injury to or death of any person or damage to property in or upon the Capital Project or the facilities financed or refinanced with proceeds of the Bonds or growing out of or connected with the use, non-use, condition, or occupancy of the Capital Project or the facilities financed or refinanced with proceeds of the Bonds or any part thereof;

(ii) Violation by the Borrower of any agreement, covenant, or condition of any of the Borrower Documents;

(iii) Violation by the Borrower of any agreement, contract, or restriction relating to the Capital Project or the facilities financed or refinanced with proceeds of the Bonds;

(iv) Violation of any law, ordinance, rule, regulation or court order affecting the Capital Project, the facilities financed or refinanced with proceeds of the Bonds or the ownership, occupancy, use thereof or the Bonds or the use thereof;

(v) The offering, issuance, sale or any resale or remarketing of the Bonds or performance of any duties under any of the documents relating to the Bonds, or a violation of any agreement, warranty, covenant or condition of this Loan Agreement or any other agreement executed in connection with this Loan Agreement;

(vi) the use, financing, non-use, condition or occupancy of the Capital Project or the facilities financed or refinanced with proceeds of the Bonds, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any such Capital Project or financed or refinanced facilities including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with such Capital Project or financed or refinanced facilities or used in connection therewith but which are not the result of the willful misconduct of the Authority or the Bond Trustee;

(vii) Any statement, information, or certificate furnished by the Borrower to the Authority that was misleading, untrue, incomplete, or incorrect in any respect when made;

(viii) With respect to the Bond Trustee, the acceptance and/or the administration of the trusts created under the Bond Indenture; and

(ix) With respect to the Authority, to any claim as to the funds paid to the Borrower pursuant to Section 10.04 of the Bond Indenture.

(b) The Borrower also agrees to pay, defend, protect, indemnify, and hold each of the Authority Indemnified Parties and the Bond Trustee Indemnified Parties harmless for, from, and against any and all liabilities directly or indirectly arising from or relating to any fraud or misrepresentations or omissions contained in the proceedings of the Authority relating to the issuance of the Bonds or pertaining to the financial condition of the Borrower which, if known to the underwriter and the investors initially purchasing the Bonds from the underwriter, might be considered a factor in such Person's decision to purchase the Bonds.

(c) Provided, however, that nothing in paragraphs (a) and (b) of this Section 5.02 shall be deemed to provide indemnification to any Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, with respect to any liabilities arising from the fraud or willful misconduct of such Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable.

(d) Any party entitled to indemnification hereunder shall notify the Borrower of the existence of any claim, demand, or other matter to which the Borrower's indemnification obligation applies, and shall give the Borrower a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable; provided that the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, shall at all times also have the right to fully participate in the defense. If the Authority Indemnified Party and/or the Bond Trustee Indemnified Party is advised in an opinion of counsel that there may be legal defenses available to it which are different from or in addition to those available to the Borrower and if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose reasonably satisfactory to the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable, the Authority Indemnified Party or the Bond Trustee Indemnified Party, as applicable shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower, and the Borrower shall be responsible for the reasonable counsel fees, costs, and expenses of the Authority Indemnified Party and/or the Bond Trustee Indemnified Party, as applicable in conducting its defense. In addition, each of the Authority and the Bond Trustee may, however, retain its own counsel and still be indemnified against the reasonable cost of employing counsel and all other reasonable expenses despite an assumption of the defense by the Borrower if the Authority or the Bond Trustee believes in good faith that (i) there are defenses available to it that are not available to the Borrower or that are adverse to or in conflict with those available to the Borrower or (ii) cannot be effectively asserted by common counsel. The Authority and the Bond Trustee always have the right to employ separate Counsel but, subject to the preceding two sentences, the fees and expenses of its separate Counsel must be paid by the Authority or the Bond Trustee unless the Borrower and the Authority or the Bond Trustee have mutually agreed to the employment of the Authority's or the Bond Trustee's separate Counsel. This Section 5.02 shall survive the termination of this Loan Agreement and the earlier removal or resignation of the Bond Trustee.

(e) All amounts payable to the Authority under this Section 5.02 shall be deemed to be Administrative Fees and Expenses payable to the Authority for the purposes of the provisions hereof and of the Bond Indenture dealing with assignment of the Authority's rights hereunder.

(f) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Authority retains the right to (i) enforce any applicable Federal or Commonwealth law or regulation or resolution of the Authority, and (ii) enforce any rights accorded to the Authority by Federal or Commonwealth law or regulation of the Authority, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

(g) The indemnifications set forth herein shall survive the termination of this Agreement and/or the resignation or removal of the Bond Trustee.

Section 5.03. Continuing Disclosure. The Borrower hereby covenants and agrees that, if required by the provisions of SEC Rule 15c2-12, it will enter into, comply with and carry out all of the provisions of the Continuing Disclosure Agreement with respect to the Bonds that complies with the provisions of SEC Rule 15c2-12, in form and substance satisfactory to the Participating

Underwriter (as defined in SEC Rule 15c2-12). Notwithstanding any other provision of this Loan Agreement or the Bond Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered a Loan Default Event or an Event of Default; however, the Bond Trustee may, and, at the request of any Participating Underwriter (as defined in such Continuing Disclosure Agreement) or the Holders of at least 25% in aggregate principal amount of Outstanding Bonds after receiving indemnification to its satisfaction, shall or any Bondholder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with its obligations under this Section 5.03.

Section 5.04. Liquidity Facility; Alternate Liquidity Facility.

(a) The Borrower may, at any time at its sole option, deliver to the Bond Trustee a Liquidity Facility or an Alternate Liquidity Facility in substitution for a Liquidity Facility, or may, at any time at its sole option (subject to the notice and mandatory tender provisions set out in the Bond Indenture) proceed without a Liquidity Facility with respect to the Bonds available for use by the Bond Trustee to provide for the purchase of Bonds upon their optional or mandatory tender in accordance with the Bond Indenture. Any Liquidity Facility or Alternate Liquidity Facility shall be in an amount equal to the Required Stated Amount.

(b) Any Liquidity Facility or Alternate Liquidity Facility delivered to the Bond Trustee pursuant to this Section 5.04 shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Liquidity Facility or Alternate Liquidity Facility to the Bond Trustee, the Borrower shall furnish to the Bond Trustee (i) if the Liquidity Facility or Alternate Liquidity Facility is issued by a Liquidity Facility Provider other than a domestic commercial bank, an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent that no registration of the Liquidity Facility or Alternate Liquidity Facility is required under the Securities Act of 1933, as amended (the "Securities Act"), and no qualification of the Bond Indenture is required under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or that all applicable registration or qualification requirements have been fulfilled; and (ii) an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent to the effect that such Liquidity Facility or Alternate Liquidity Facility is a valid and enforceable obligation of the issuer thereof.

(c) In lieu of the Opinion of Counsel required by Section 5.04(b)(i) above, there may be delivered an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent to the effect that either (i) at all times during the term of the Liquidity Facility or Alternate Liquidity Facility, the Bonds will be offered, sold and held by Holders in transactions not constituting a public offering of the Bonds or the Liquidity Facility or Alternate Liquidity Facility under the Securities Act and, accordingly, no registration of the Liquidity Facility or Alternate Liquidity Facility under the Securities Act nor qualification of the Bond Indenture under the Trust Indenture Act will be required in connection with the issuance and delivery of the Liquidity Facility or Alternate Liquidity Facility or the remarketing of the Bonds with the benefits thereof, or (ii) the offering and sale of the Bonds, to the extent evidencing the Liquidity Facility or Alternate Liquidity Facility, has been registered under the Securities Act and any indenture required to be qualified

with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (i) of this Section 5.04(c) is given, the Bonds and any transfer records relating to the Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

If Liquidity Facility Bonds are Outstanding as of the date of delivery of a the Liquidity Facility or Alternate Liquidity Facility and held for the benefit of the Liquidity Facility Provider obligated under the Liquidity Facility then in effect, such Liquidity Facility or Alternate Liquidity Facility shall provide for the purchase of such Liquidity Facility Bonds by the new Liquidity Facility Provider as a condition of the effectiveness of such Liquidity Facility or Alternate Liquidity Facility.

Section 5.05. Self-Liquidity Arrangements.

The Borrower, at its sole option, may maintain a Self-Liquidity Arrangement in lieu of a Liquidity Facility. Not less than 30 days prior to the expiration or termination of any existing Liquidity Facility or Credit Facility, if a Liquidity Facility or Credit Facility is in place, or such other date, if a Liquidity Facility or Credit Facility is not in place, the Borrower shall notify the Bond Trustee and the Authority of its intention to provide a Self-Liquidity Arrangement, and the amendments, if any, to this Loan Agreement and the Bond Indenture reasonably necessary to accommodate such self-liquidity. The notice will be accompanied by a Favorable Opinion of Bond Counsel, including to the effect that such changes will not require the Bonds to be registered under the Securities Act, or the Bond Indenture to be qualified under the Trust Indenture Act of 1939 or, if such registration or qualification is required, that it has been accomplished. The notice will also be accompanied by written evidence from each Rating Agency then rating the Bonds of the rating to be assigned to the Bonds by such Rating Agency on and after the date such Self-Liquidity Arrangement becomes effective.

Section 5.06. Credit Facility; Alternate Credit Facility.

(a) The Borrower may, at any time at its sole option (subject to the provisions of the Bond Indenture), furnish a Credit Facility or an Alternate Credit Facility in substitution for a Credit Facility, or may, at any time at its sole option (subject to the notice and mandatory tender provisions set out in the Bond Indenture) proceed without a Credit Facility with respect to the Bonds; provided, however, that while the Bonds are in the Direct Purchase Mode, no Credit Facility may be in effect with respect to the Bonds unless consented to by the Direct Purchaser.

(b) Any Credit Facility or Alternate Credit Facility delivered to the Bond Trustee pursuant to this Section 5.06 shall contain administrative provisions reasonably acceptable to the Bond Trustee and the Remarketing Agent. On or prior to the date of the delivery of the Credit Facility or Alternate Credit Facility to the Bond Trustee, the Borrower shall furnish to the Bond Trustee (i) if the Credit Facility or Alternate Credit Facility is issued by a Credit Facility Provider other than a domestic commercial bank, an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent that no registration of the Credit Facility or Alternate Credit Facility is required under the Securities Act, and no qualification of the Bond Indenture is required under the Trust Indenture Act, or that all applicable registration or qualification requirements have been fulfilled and (ii) an Opinion of Counsel addressed to the Authority, the Borrower, the Bond

Trustee, and the Remarketing Agent and satisfactory to the Bond Trustee to the effect that such Credit Facility or Alternate Credit Facility is a valid and enforceable obligation of the issuer thereof and such Credit Facility or Alternate Credit Facility complies with the terms hereunder and under the Bond Indenture.

(c) In lieu of the opinion of Counsel required by Section 5.06(b)(i) above, there may be delivered an Opinion of Counsel addressed to the Authority, the Borrower, the Bond Trustee and the Remarketing Agent and satisfactory to the Bond Trustee and the Remarketing Agent to the effect that either (i) at all times during the term of the Credit Facility or Alternate Credit Facility, the Bonds will be offered, sold and held by Holders in transactions not constituting a public offering of the Bonds or the Credit Facility or Alternate Credit Facility under the Securities Act and, accordingly, no registration of the Credit Facility or Alternate Credit Facility under the Securities Act nor qualification of the Bond Indenture under the Trust Indenture Act will be required in connection with the issuance and delivery of the Credit Facility or Alternate Credit Facility or the remarketing of the Bonds with the benefits thereof, or (ii) the offering and sale of the Bonds, to the extent evidencing the Credit Facility or Alternate Credit Facility, has been registered under the Securities Act and any indenture required to be qualified with respect thereto under the Trust Indenture Act has been so qualified. If the opinion described in clause (i) of this Section 5.06(c) is given, the Bonds and any transfer records relating to the Bonds shall be noted indicating the restrictions on sale and transferability described in clause (i).

If Credit Facility Bonds are Outstanding as of the date of delivery of an Credit Facility or Alternate Credit Facility and held for the benefit of the Credit Facility Provider obligated under the Credit Facility then in effect, such Credit Facility or Alternate Credit Facility shall provide for the purchase of such Credit Facility Bonds by the new Credit Facility Provider as a condition of the effectiveness of such Credit Facility or Alternate Credit Facility.

Section 5.07. Non-Discrimination. The Borrower agrees that the facilities financed or refinanced with the proceeds of the Bonds will be open to all regardless of race, religion, sex or creed. Contractors and subcontractors engaged in the construction or alteration of such facilities shall provide an equal opportunity for employment without unlawful discrimination as to race, religion, sex or creed. The Borrower covenants and agrees that it shall enforce such non-discrimination requirements.

ARTICLE VI

LOAN DEFAULT EVENTS AND REMEDIES

Section 6.01. Loan Default Events. The following events shall be "Loan Default Events:"

(a) Failure by the Borrower to pay in full any payment required hereunder or under the Master Note when due, whether on an interest payment date at maturity, upon a date fixed for prepayment, by declaration, or otherwise pursuant to the terms hereof or thereof;

(b) Failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed herein for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to

the Borrower by the Authority or the Bond Trustee; provided, however, that if the failure is such that it can be corrected but not within such 60-day period, such failure shall not be a Loan Default Event if corrective action is instituted by the Borrower within such period and diligently pursued until such failure is corrected;

(c) Any material representation or warranty made by the Borrower in any document delivered by the Borrower to the Bond Trustee or the Authority in connection with the sale and delivery of the Bonds or the Master Note proves to be untrue when made in any material respect;

(d) An Event of Default under the Bond Indenture or under the Master Indenture; or

(e) The Borrower (i) shall admit in writing its inability to pay its debts generally, (ii) shall make a general assignment for the benefit of creditors, (iii) shall institute any proceeding or voluntary case (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, (iv) shall take any action to authorize any of the actions described above in this subsection (e), or (v) shall have instituted against it any proceeding (A) seeking to adjudicate it a bankrupt or insolvent or (B) seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors or (C) seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of 60 days.

Upon a Responsible Officer of the Bond Trustee having actual knowledge or written notice of the existence of a Loan Default Event, the Bond Trustee shall give written notice thereof to the Borrower unless the Borrower has expressly acknowledged the existence of such Loan Default Event in a writing delivered by the Borrower to the Bond Trustee or filed by the Borrower in any court.

Section 6.02. Remedies on Default. If a Loan Default Event shall occur, then, and in each and every such case during the continuance of such Loan Default Event, the Bond Trustee on behalf of the Authority, subject to the limitations and its protections in the Bond Indenture as to the enforcement of remedies, may, and, during a Direct Purchase Period, with the consent of the Direct Purchaser and at the direction of the Direct Purchaser shall, take such action as it deems necessary or appropriate to collect amounts due hereunder, to enforce performance and observance of any obligation or agreement of the Borrower hereunder or to protect the interests securing the same, and may, without limiting the generality of the foregoing:

(a) Exercise any or all rights and remedies given hereby or available hereunder or given by or available under any other instrument of any kind securing the Borrower's performance hereunder (including, without limitation, the Master Note and the Master Indenture);

(b) By written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under this Loan Agreement, whereupon the same shall become immediately due and payable;

(c) Take any action at law or in equity to collect the payment required hereunder then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of the Borrower hereunder; and

(d) Notwithstanding any other provision of this Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the payment due hereunder to be immediately due and payable except in accordance with the directions of the Master Trustee if the Master Trustee shall have declared the aggregate principal amount of the Obligations and all interest thereon immediately due and payable in accordance with Section 4.02 of the Master Indenture.

Section 6.03. Remedies Not Exclusive; No Waiver of Rights. No remedy herein conferred upon or reserved to the Authority or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy, to the extent permitted by law, shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or otherwise. In order to entitle the Authority or the Bond Trustee to exercise any remedy, to the extent permitted by law, reserved to it contained in this Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given to the Authority hereunder shall also extend to the Bond Trustee, and the Bond Trustee may, and, during a Direct Purchase Period, with the consent of the Direct Purchaser and at the direction of the Direct Purchaser shall, exercise any rights of the Authority under this Loan Agreement, and the Bond Trustee and the Holders of the Bonds shall be deemed third-party beneficiaries of all covenants and conditions herein contained.

No delay in exercising or omitting 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 such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.04. Expenses on Default. In the event the Borrower should default under any of the provisions of this Loan Agreement and the Authority or the Bond Trustee should employ attorneys or incur other expenses for the collection of the payments due hereunder, the Borrower agrees that it will on demand therefor pay to the Authority or the Bond Trustee the reasonable fees and expenses of such attorneys and such other expenses so incurred by the Authority or the Bond Trustee.

Section 6.05. Notice of Default. The Borrower agrees that, as soon as is practicable, and in any event within ten (10) days of a Loan Default Event, the Borrower will furnish the Bond Trustee notice of any event which is a Loan Default Event pursuant to Section 6.01 hereof which

has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which the Borrower proposes to take with respect thereto; provided, however, that with respect to a Loan Default Event pursuant to Section 6.01(a), the Bond Trustee shall give the Borrower immediate telephonic notice on the date such default occurs. If the Authority or the Bond Trustee delivers a notice to the Borrower that the Borrower has failed to observe and perform any covenant, condition or agreement on its part to be observed or performed under the terms of this Loan Agreement other than under Section 6.01(a) then, upon request, the Borrower shall furnish to the Bond Trustee a certificate stating that such default is such that it can be corrected but not within the period set forth in Section 6.01(b) above and that corrective action capable of remedying such default has been instituted and is being diligently pursued and will be diligently pursued until the default is corrected. The Borrower shall notify the Bond Trustee when such default has been corrected. The Bond Trustee shall be entitled to conclusively rely upon any such certificate given pursuant to this Section.

Section 6.06. Assignment by Authority or Bond Trustee. This Loan Agreement, including the right to receive payments required to be made by the Borrower hereunder and to compel or otherwise enforce performance by the Borrower of its other obligations hereunder and thereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Authority or the Bond Trustee at any time subsequent to its execution without the necessity of obtaining the consent of the Borrower. The Authority expressly acknowledges that all right, title and interest of the Authority in and to this Loan Agreement (excluding Unassigned Rights) have been assigned to the Bond Trustee, as security for the Bonds under and as provided in the Bond Indenture, and that if any Loan Default Event shall occur, the Bond Trustee shall be entitled to act hereunder in the place and stead of the Authority.

Section 6.07. Application of Moneys Collected. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the provisions of Article VII of the Bond Indenture, and to the extent applied to the payment of amounts due on the Series 2024B Bonds shall be credited against amounts due on the Master Note.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Further Assurances. The Borrower agrees that it will execute and deliver any and all such further agreements, instruments, financing statements or other assurances as may be reasonably necessary or requested by the Authority or the Bond Trustee to carry out the intention or to facilitate the performance of this Loan Agreement, including, without limitation, to perfect and continue the security interests herein intended to be created.

Section 7.02. Notices. All notices or communications herein required or permitted to be given shall be in writing and shall be deemed to have been sufficiently given or served for all purposes by being deposited, postage prepaid, in a post office letter box, addressed, as the case may be, to the respective addresses set forth in Section 11.07 of the Bond Indenture. The Authority, the Borrower, the Bond Trustee may, by notice given hereunder, designate any further or different address to which subsequent notices, certificates and other communications shall be sent.

Section 7.03. Waiver of Personal Liability. No member, officer, agent, attorney, or employee of the Authority or any member, director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal (or Redemption Price) of or interest on the Bonds or any other sum hereunder or under the Bond Indenture or the Obligations or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement or the Master Note; but nothing herein contained shall relieve any such member, director, officer, agent, or employee from the performance of any official duty provided by law or required by this Loan Agreement or the Master Note.

Section 7.04. Governing Law; Venue. This Loan Agreement shall be construed in accordance with and governed by the laws of the Commonwealth applicable to contracts made and performed in the Commonwealth.

Section 7.05. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Borrower and their respective successors and assigns, subject, however, to the limitations contained herein. This Loan Agreement may not be assigned by the Borrower without the prior consent of the Bond Trustee and any assignment in contradiction hereof shall be void.

Section 7.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Loan Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Loan Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Loan Agreement, and this Loan Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority and the Borrower each hereby declares that it would have entered into this Loan Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Loan Agreement may be held illegal, invalid or unenforceable.

Section 7.07. Loan Agreement Represents Complete Agreement; Amendments; Supplements. This Loan Agreement represents the entire agreement between the parties. The Borrower, with the written consent of the Authority and the Bond Trustee given in accordance with the provisions of the Bond Indenture, may from time to time enter into such amendments or supplements to this Loan Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof.

Section 7.08. Execution of Counterparts. This Loan Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

Section 7.09. Term of Loan Agreement. This Loan Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as any of the Bonds is Outstanding or the Bond Trustee holds any moneys under the Bond Indenture, whichever is later.

Section 7.10. Survival of Covenants. Notwithstanding the payment in full of the Bonds, the discharge of the Bond Indenture, and the termination or expiration of this Loan Agreement, all

provisions in this Loan Agreement concerning (a) the interpretation of this Loan Agreement, (b) the governing law, (c) the forum for resolving disputes, (d) the Authority's right to rely on facts or certificates, (e) the immunity of the Authority's directors, officers, counsel, financial advisors, and agents, (f) the Authority's lack of pecuniary liability, and (g) the Borrower's obligations under Section 5.03 hereof shall survive and remain in full force and effect.

Section 7.11. Default by Authority; Limited Liability. The Bonds are special, limited obligations of the Authority. Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of the Bonds, this Loan Agreement, the Bond Indenture, or the Bondholder Agreement shall be construed so as to give rise to any liability of the Commonwealth or any political subdivision thereof, or the Authority, or to give rise to a charge upon the general credit of the Commonwealth or any political subdivision thereof, or the Authority, and the Authority shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from Revenues and other moneys and assets received by the Bond Trustee pursuant to this Loan Agreement and the Master Note. All such liability, if any, is expressly waived and released by the Holders of the Bonds by the acceptance of the Bonds. The liability of the Authority hereunder shall be limited to its interest in the Project, the facilities financed and refinanced with proceeds of the Bonds, this Loan Agreement and all other related documents and collateral and the lien of any judgment shall be restricted thereto, and the Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Master Note, the Bonds or the Bond Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement or from the Members under the Master Note. In the performance of the agreements of the Authority herein contained, any obligation it may incur for the payment of money shall not be a debt of the Authority, nor shall the Authority be liable on any obligation so incurred. The Authority does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds shall not constitute a debt or liability of the Commonwealth or of any political subdivision thereof other than the Authority (to the limited extent hereinabove provided). The issuance of the Bonds under the provisions of the Act or the Bond Indenture do not, directly or indirectly, or contingently, obligate the Commonwealth or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment. Neither the general credit of the Authority nor the credit or taxing power of the Commonwealth or of any political subdivision thereof shall in any event be liable for the payment of the principal or Redemption Price or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any political subdivision thereof or any charge upon either of its general credit or its taxing power. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Holders of the Bonds or the Borrower if a default shall occur hereunder or under the Bond Indenture.

Notwithstanding anything to the contrary contained herein or in the Bond Indenture, the Bonds, the Bondholder Agreement, or any document relating to the foregoing, the Authority shall have no liability, legal, moral or otherwise, except from the Revenues and other moneys and assets received by the Bond Trustee pursuant to this Loan Agreement and the Master Note, to any Owner of the Bonds, the Bond Trustee, any underwriter for the Project, the Bonds, or the Borrower in connection with the Bonds, the Bond Indenture, this Loan Agreement, or any other document executed or used in connection herewith or therewith, including, without limitation, any liability or loss resulting from or suffered upon (a) the occurrence of any default under the foregoing documents or the security instruments referred to therein, (b) any diminution in the value of the Revenues or any collateral given to secure the Bonds, (c) any failure to perfect a lien or security interest in or against the Revenues or any collateral given to secure the Bonds, (d) any misrepresentation of the Authority, (e) the inaccuracy of or failure to complete any information or document submitted by the Authority to the Internal Revenue Service, (f) the failure of the Authority to comply with any applicable requirements of the Code (including, without limitation, any registration requirements relating to the Bonds), or (g) any other cause, matter, or thing whatsoever.

No recourse shall be had for any claim based on any of this Loan Agreement, the Bond Indenture, the Bonds, or any document delivered with respect to any of this Loan Agreement, the Bond Indenture, or the Bonds against any member, officer, agent, representative, or employee, past, present or future, of the Authority, either directly or indirectly, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise.

Whether or not therein expressly so provided, every provision of the Bond Indenture (other than Section 11.01 thereof) relating to the conduct or affecting the liability of the Authority shall be subject to the provisions of this Section.

Section 7.12. Bond Indenture Provisions. The Bond Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Authority to the Borrower pursuant to this Loan Agreement, and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower was an express party to the Bond Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Bond Indenture as fully as if the Borrower was a party to the Bond Indenture.

[signature pages follow]

IN WITNESS WHEREOF, the Authority and the Borrower have caused this Series 2024C Loan Agreement to be executed in their respective names by their duly authorized representatives, all as of the date first written above.

**PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Executive Director

THOMAS JEFFERSON UNIVERSITY

By: _____
Name: Alfred C. Salvato
Title: SVP Finance, Chief Investment
Officer and Treasurer

EXHIBIT A

Assignment

A-1

ASSIGNMENT

KNOW ALL PERSONS BY THESE PRESENTS that PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY (the “Authority”) does hereby sell, assign, transfer and set over to THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, having a corporate trust office in Philadelphia, Pennsylvania, as Bond Trustee under the Series 2024C Trust Indenture dated as of November 1, 2024, all the right, title and interest of the Authority (other than the Unassigned Rights) in and to the Series 2024C Loan Agreement dated as of November 1, 2024 (the “Loan Agreement”, between the Authority and Thomas Jefferson University, as well as all loan payments and other payments payable or which may become payable thereunder (except for amounts representing the reimbursement of the Authority’s Administrative Fees and Expenses and the right to indemnification as provided in the Loan Agreement), the same to be held in trust and applied by said Bond Trustee as provided in said Indenture; and the Authority does hereby constitute and appoint Bond Trustee as aforesaid, its true and lawful attorney for it and in its name to collect and receive payment of any and all of said loan payments and other payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that said attorney may do in the premises. Said Bond Trustee may, but, except as otherwise provided in said Bond Indenture shall not be required to, institute any proceedings or take any action in its name or in the name of the Authority to enforce payment or collection of any or all of such loan payments and contributions and payments on account of such loan payments.

(a) Notwithstanding such assignment and transfer, so long as no Event of Default under the Loan Agreement has occurred and is continuing and the Authority shall not be in default under the Bond Indenture:

(b) The Authority shall have the right and duty to give all approvals and consents permitted or required under the Loan Agreement;

(c) The Authority shall have the right to execute supplements and/or amendments to the Loan Agreement to the extent and in the manner permitted by the Indenture; and

(d) There shall be no responsibility on the part of the Bond Trustee for duties or responsibilities of the Authority contained in the Loan Agreement or in any supplements and/or amendments thereto.

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IN WITNESS WHEREOF, PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES
AUTHORITY has caused this Assignment to be duly executed in its name by its Executive
Director, all as of the date first above written.

PENNSYLVANIA HIGHER
EDUCATIONAL FACILITIES
AUTHORITY

By: _____
Executive Director

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APPENDIX D

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THOMAS JEFFERSON UNIVERSITY OBLIGATED GROUP

AMENDED AND RESTATED
MASTER TRUST INDENTURE
(Security Agreement)

by and among

THOMAS JEFFERSON UNIVERSITY,
as a Member of the Obligated Group and as the Combined Group Agent,

EACH OF THE MEMBERS OF THE OBLIGATED GROUP
IDENTIFIED ON EXHIBIT A HERETO and

ANY ADDITIONAL MEMBERS FROM TIME TO TIME
OF THE OBLIGATED GROUP,

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Master Trustee

Dated as of February 1, 2022

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THIS AMENDED AND RESTATED MASTER TRUST INDENTURE (the “Master Indenture”) dated as of February 1, 2022, by and among THOMAS JEFFERSON UNIVERSITY, a Pennsylvania nonprofit corporation, on behalf of itself as a Member of the Obligated Group hereunder and as Combined Group Agent (“TJU” or the “Combined Group Agent”), the other Members of the Obligated Group described herein and any future Members from time to time of the Obligated Group, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, being duly qualified to accept and administer the trusts created hereby (the “Master Trustee”), amends and restates in its entirety the Amended and Restated Master Trust Indenture dated as of February 1, 2017, as previously amended and supplemented (as so previously amended and supplemented, the “Existing Master Indenture”), among the Obligated Group and the Master Trustee.

RECITALS:

WHEREAS, the Obligated Group and the Master Trustee, as successor master trustee, entered into the Existing Master Indenture for the purpose of providing for the issuance from time to time by one or more Obligated Group Members of Obligations of one or more series, in order to obtain financing or refinancing for lawful and proper corporate purposes; and

WHEREAS, the Obligated Group desires to make certain changes to the Existing Master Indenture, which changes are reflected in this Amended and Restated Master Trust Indenture; and

WHEREAS, the Existing Master Indenture permits amendments to be made to the Existing Master Indenture upon satisfaction of certain conditions set forth in the Existing Master Indenture;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the Obligations issued hereunder by the holders thereof, and for the purpose of fixing and declaring the terms and conditions upon which the Obligations are to be issued, authenticated, delivered and accepted by all Persons who shall from time to time be or become holders thereof, the Obligated Group Members covenant and agree with the Master Trustee and each additional Obligated Group Member upon becoming such shall be deemed to covenant and agree with the Master Trustee, for the benefit of the respective holders from time to time of Obligations issued hereunder, to the extent of and in accordance with the terms of such Obligations, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions. In addition to the words and terms elsewhere defined in this Master Indenture, the following words and terms as used in this Master Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Adjusted Unrestricted Expenses” with respect to a Person, means for any period of time for which calculated, the Total Unrestricted Expenses during such period of such Person or group of Persons, determined in accordance with Generally Accepted Accounting Principles, other than (a) interest expense, (b) depreciation and amortization, (c) unrealized losses on investments or Swap Agreements (including those related to hedging activities), (d) other non-cash expenses, (e) losses resulting from the early extinguishment of debt, termination of Swap Agreements, the sale or other disposition of assets not in the ordinary course of business or any reappraisal, revaluation or write-down of assets, and any other extraordinary losses or expenses, and (f) if the calculation is made with respect to the Combined Group, any expenses attributable to transactions between any Member of the Combined Group and any other Member of the Combined Group; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Adjusted Unrestricted Revenues” with respect to a Person, means for any period of time for which calculated, the Total Unrestricted Revenues during such period of such Person or group of Persons, determined in accordance with Generally Accepted Accounting Principles, including (a) in the case of any Member of the Combined Group providing health care services, gross patient and resident service revenues less contractual allowances, free care and discounted care, plus (b) other operating revenues less applicable allowances such as sale discounts and sale returns, plus (c) non-operating revenues or gains, plus (d) net assets released from restriction; provided that no determination thereof shall take into account (i) unrealized gains on investments or unrealized gains on Swap Agreements, (ii) other non-cash income, (iii) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness or Related Bonds, (iv) extraordinary gains resulting from the early extinguishment of debt, termination of Swap Agreements, the sale, exchange or other disposition of Property not in the ordinary course of business, or the reappraisal, reevaluation or write-up of assets, or any other extraordinary gains, (v) gifts, grants, bequests or donations specifically restricted as to use by the donor or grantor for a purpose inconsistent with the payment of debt service on Indebtedness of a Member of the Combined Group, (vi) insurance (other than business interruption) and condemnation proceeds, and (vii) proceeds of borrowing. Any calculation made will exclude any revenues attributable to transactions between any Member of the Combined Group and any other Member of the Combined Group, and for purposes of any calculation made with reference to both Adjusted Unrestricted Revenues and Adjusted Unrestricted Expenses, any deduction or reduction from revenues otherwise required by the preceding provisions of this definition may not be made if and to the extent that the amount of such deduction is included in Adjusted Unrestricted Expenses and its inclusion would have the result of counting such amount more than once; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Affiliate” means, each Person that, directly or indirectly, controls or is controlled by or is under common control with Combined Group Agent. For the purposes of this definition, the term “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the power, directly or indirectly, either to (i) vote 50% or more of the securities having ordinary voting power for the election of directors, trustees or similar governing body of such Person, or (ii) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Assumed Term” means a period selected by the Combined Group Agent of up to 30 years; provided, however, for any Obligation that has a Stated Maturity more than 30 years from the date of the relevant calculation, the Assumed Term for any Obligation shall be a period selected by the Combined Group Agent up to the Stated Maturity of any Obligation.

“Authorized Representative” means, with respect to any Member of the Obligated Group or the Combined Group, the Chairman, Vice Chairman, President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Executive Director, any Assistant Executive Director, or the Controller or any Assistant Controller thereof or any other officer of a Member of the Obligated Group or the Combined Group or other person designated by Certified Resolution of the governing body of such Person to act for any of the foregoing, either generally or with respect to the execution of any particular document or other specific matter.

“Balloon Indebtedness” means any Long Term Indebtedness other than a Demand Obligation, 25% or more of the principal amount of which is payable in the same year (after taking into account all scheduled mandatory redemptions or prepayments payable over the life of such Long Term Indebtedness), such year being herein referred to as a “balloon payment year” and the principal amount payable in such balloon payment year being herein referred to as a “balloon payment.”

“Bondholder,” “holder of Bonds” or “owner of the Bonds” means the registered owner of any Related Bond.

“Book Value” means, when used in connection with Property, the value of such Property, net of accumulated depreciation and amortization.

“Bond Counsel” means a nationally recognized firm of lawyers experienced in matters involving the issuance of tax-exempt debt by states and their political subdivisions.

“Bond Index” means, at the option of the Combined Group Agent (a) the 30-year Revenue Bond Index published most recently by *The Bond Buyer*, or a comparable index if such Revenue Bond Index is not so published, (b) the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index, (c) the weighted average yield or weighted average coupon of all then-Outstanding Long-Term Indebtedness secured by Obligations, or (d) such other interest rate or interest index as may be designated by the Combined Group Agent as appropriate to the situation.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the Commonwealth or the state in which the designated corporate trust office of the Master Trustee is located are authorized or required by law to close or (b) a day on which the New York Stock Exchange is closed.

“Certificate” means a certificate or report, in form and substance satisfactory to the Master Trustee, executed: (i) in the case of a Certificate of TJU or the Combined Group Agent, by an Authorized Representative of TJU or the Combined Group Agent; and (ii) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, partner or other authorized representative of such Person; provided that in no event shall any individual be permitted to execute any Certificate in more than one capacity. Notwithstanding the foregoing, a Certificate of TJU or the Combined Group Agent may be executed by any individual designated by the TJU to execute such Certificate, as set forth in a Certified Resolution of the TJU, filed with the Master Trustee.

“Certified Public Accountant” means an independent accounting firm which is appointed by the Combined Group Agent for the purpose of examining and reporting on or passing on questions relating to

the Financial Statements of the System, has all certifications necessary for the performance of such services and, in the Master Trustee's reasonable judgment, is not unsatisfactory to the Master Trustee.

"Certified Resolution" means, as the context requires: (i) one or more resolutions of the governing body of TJU or the Combined Group Agent or a duly authorized committee thereof, certified by the secretary or assistant secretary of TJU or the Combined Group Agent or other officer serving in a similar capacity, to have been duly adopted and to be in full force and effect as of the date of certification; or (ii) one or more resolutions of the governing body of any other Person (including an Obligated Group Member or Combined Group Member) or a duly authorized committee thereof, certified by the secretary or assistant secretary of such Person or other Person serving in a similar capacity to have been duly adopted and to be in full force and effect as of the date of certification.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to the Related Bonds or the use of the proceeds thereof.

"Combined Group" means, collectively, all of the Members of the Combined Group.

"Combined Group Agent" means TJU or such other Member, provided that such Member be the Parent Corporation, as may be designated from time to time pursuant to written notice to the Master Trustee, executed by an authorized officer of Combined Group Agent or, if TJU is no longer a Member of the Obligated Group, of each Member of the Obligated Group.

"Commonwealth" means the Commonwealth of Pennsylvania.

"Consultant" means a firm which (i) is Independent and (ii) is a public accounting firm, a nationally recognized investment banker or a nationally recognized professional management consultant, designated by Combined Group Agent qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the Obligated Group, the Combined Group and/or the System and having the skill and experience necessary to render the particular opinion or report required by the provision hereof in which such requirement appears. Whenever a Certificate or report or opinion is furnished to the Master Trustee by a Consultant, such opinion, report or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"Controlling Member" means the Member of the Obligated Group or the Member of the Combined Group, as applicable, designated by the Combined Group Agent to establish and maintain control over a Designated Affiliate as provided by Section 601(c).

"Counsel" means an attorney-at-law or law firm (which may be internal counsel for Combined Group Agent or a Member of the Combined Group) not unsatisfactory to the Master Trustee.

"Days Cash on Hand Ratio" means, as of the date of calculation, the ratio of (a) the product of (i) total cash, cash equivalents and marketable securities of, at the option of the Combined Group Agent, either the System, the Combined Group, or the Obligated Group (not restricted as to use) multiplied by (ii) 365 to (b) Adjusted Unrestricted Expenses incurred by, at the option of the Combined Group Agent, either the System, the Combined Group or the Obligated Group, during the 12-month period ending on such date of calculation; *provided, however*, that the selection by the Combined Group Agent of the System, the Combined Group or the Obligated Group in (a) and (b) above must be consistently applied on such date of calculation. In calculating the Days' Cash on Hand Ratio, the Combined Group Agent (A) may include cash, cash equivalents and marketable securities constituting Board-designated funds

which are not restricted by the donor, by contract, by court order or by governmental restrictions as to use, and (B) may not include (1) self-insurance funds, (2) trustee-held funds, (3) any portion of cash, cash equivalents or marketable securities which have been derived from proceeds of any short-term borrowings including, without limitation, internal affiliate loans and draws on lines of credit regardless of the maturity date of the line of credit, (4) proceeds of accounts receivable financings or factoring, and (5) funds or investments subject to a lien (other than the Liens permitted in this Master Indenture on the Gross Revenues) or any donor restrictions, permanent or temporary, regardless of whether such funds or investments are considered restricted for purposes of Generally Accepted Accounting Principles; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Debt Service Coverage Ratio” means, for any period of time, the ratio obtained by dividing, at the option of the Combined Group Agent, (i) Net Revenues of the System for such period by the Debt Service Requirements of the System for such period, (ii) Net Revenues of the Combined Group for such period by the Debt Service Requirements of the Combined Group for such period, or (iii) Net Revenues of the Obligated Group for such period by the Debt Service Requirements of the Obligated Group for such period; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Debt Service Requirements” means, for any specified period for which calculated, the aggregate of the payments required to be made during such period of each Person or group of Persons in respect of, (i) the amounts payable as lease rentals in respect of any or all Long-Term Indebtedness in the form of capitalized leases, subject to the treatment of leases in the definition of Indebtedness and Section 103, (ii) the amounts payable to the Holders of Obligations (or to the trustee for such Holders) in respect of the principal of any or all Obligations issued as Long-Term Indebtedness under this Master Indenture (including scheduled mandatory redemptions of principal) and the interest on such Obligations, and (iii) the amounts payable to any or all holders of Long-Term Indebtedness other than capitalized leases and Obligations under this Master Indenture (or to any trustee or paying agent for such holders) in respect of the principal of such Long-Term Indebtedness (including mandatory redemptions or prepayments of principal) and the interest on such Long-Term Indebtedness; provided, however, that:

(a) the amounts deemed payable in respect of any Long-Term Indebtedness shall not include interest on such Long-Term Indebtedness that is funded from the proceeds thereof;

(b) the amounts deemed payable in respect of any Indebtedness shall not include any amounts payable from funds available (without reinvestment) in a Qualified Escrow (other than amounts so payable solely by reason of Obligated Group’s failure to make payments from other sources);

(c) non-scheduled termination or similar payments on Swap Agreements payments due on optional redemptions, payments due on tenders of Indebtedness for purchase or retirement (other than scheduled mandatory sinking fund payments), payments due as a result of acceleration following default and similar, non-scheduled payments which come due or may become due on any Indebtedness shall not be treated as Debt Service Requirements; and

(d) the foregoing shall be subject to adjustment and recalculation as and to the extent permitted or required by Section 502 hereof.

“Demand Obligation” means any Long Term Indebtedness that is subject to repurchase or repayment as to principal upon demand by the holder thereof.

“Designated Affiliate” means any Person which has been designated as such in accordance with Section 601(c) hereof so long as such Person's status as a Designated Affiliate has not been terminated as

provided in Section 601(c). The Designated Affiliates, as of the date of this Master Indenture, are listed on Exhibit B hereto. The Combined Group Agent may from time to time deliver a revised Exhibit B to the Master Trustee, indicating additions or deletions of Designated Affiliates.

“Electronic Means” has the meaning set forth in Section 1208 hereof.

“Escrow Securities” means, (i) with respect to any Obligation which secures a series of Related Bonds, the securities permitted to be used to refund or advance refund such series of Related Bonds under the Related Bond Indenture, or (ii) with respect to any other Obligation, those securities identified as such in the Supplemental Master Indenture pursuant to which such Obligations were issued.

“Event of Default” means any one or more of those events set forth in Section 701 of this Master Indenture.

“Excluded Property” means (i) any assets of “employee pension benefit plans,” including “multi-employer plans”, as defined in the Employee Retirement Income Security Act of 1974, as amended, or any similar funds established for provision of pension or other post-retirement benefits, (ii) any assets of a self-insurance trust which prohibits any application of such assets for purposes which are not related to claims as defined in the governing trust document, and (iii) all endowment funds and property derived from gifts, grants, research contracts, bequests, donations and contributions heretofore or hereafter made to or with any Member of the Combined Group that are specifically restricted by the donor, testator or grantor to a particular purpose inconsistent with the payment of Debt Service Requirements on Obligations, and the income and gains derived therefrom, if so restricted.

“Existing Swaps” means interest rate swap transactions of the Combined Group Agent with: (i) Bank of America, National Association evidenced by the Amended and Restated Master Agreement dated February 26, 2015, the Amended and Restated Schedule dated February 26, 2015, the Amended and Restated Credit Support Annex dated February 26, 2015, and the Amended and Restated Confirmation Internal Tracking Numbers 59513577 and 59516957, with an amended trade date of February 24, 2015; (ii) PNC Bank National Association evidenced by the Master Agreement dated February 26, 2015, the Schedule dated February 26, 2015, the Credit Support Annex dated February 26, 2015, along with Confirmation Transaction Reference Number MX_70810 with a trade date of February 24, 2015, and Novation Agreement dated June 30, 2014 with an Amended and Restated Confirmation Transaction Reference Number MX_32998 and trade date of February 28, 2012; and (iii) Wells Fargo Bank, N.A. evidenced by the Master Agreement dated as of June 30, 2014, the Amended and Restated Schedule dated February 26, 2015, the Amended and Restated Credit Support Annex dated February 26, 2015, and Novation Confirmation # 13545519 dated June 30, 2014 and Novation Confirmation # 13545520 dated June 30, 2014, as such Existing Swaps may be amended and/or restated by the parties thereto.

“Facilities” means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the UCC or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person.

“Fair Market Value,” when used in connection with Property, shall mean the fair market value of such Property as determined by either:

(a) an appraisal of the portion of such Property which is real property made within five years of the date of determination by a “Member of the Appraisal Institute” (MAI) and by an appraisal of the portion of such Property which is not real property made within five years of the date of determination by any expert, provided that any such appraisal shall be performed by a person or firm which (A) is Independent, (B) does not have any direct financial interest or any material indirect financial interest in

the Combined Group Agent or any other Member of the Combined Group or an affiliate of such Member of the Combined Group and (C) is not connected with the Combined Group Agent or any Member of the Combined Group or an affiliate thereof as an officer, employee, promoter, trustee, partner, director or person performing similar functions; adjusted for the period, not in excess of five years, from the date of the last such appraisal for changes in the implicit price deflator for the gross national product as reported by the United States Department of Commerce or its successor agency, or if such index is no longer published, such other index certified to be comparable and appropriate in a Certificate of the Combined Group Agent delivered to the Master Trustee; or

(b) a bona fide offer for the purchase of such Property made on an arm's-length basis.

“Financial Statements of the System” means the consolidated, audited financial statements of the System, and, if applicable (without duplication), the consolidated, audited financial statements of any Affiliate into whose financial statements the results of the System are consolidated and (without duplication) the consolidated, audited financial statements of any Affiliate whose financial results are otherwise not consolidated with the consolidated, audited financial statements of the System.

“Fiscal Year” means any twelve-month period beginning on July 1 of any calendar year and ending on June 30 of the following calendar year or such other consecutive twelve-month period selected by the Combined Group Agent as the fiscal year for the Combined Group and designated from time to time in writing by the Combined Group Agent to the Master Trustee; for purposes of making historical calculations or determinations set forth in this Master Indenture on a Fiscal Year basis, or for purposes of combinations or consolidation of accounting information, with respect to those entities whose actual fiscal year is different from that designated above, unaudited financial information of such entities shall be used for such consecutive twelve-month period; provided, however, that for purposes of making any calculations or determinations as set forth in this Master Indenture, the Combined Group Agent may designate in writing to the Master Trustee as the “Fiscal Year” any twelve-month period. Whenever the Master Indenture refers to a Fiscal Year of a specific entity, such reference shall be to the actual fiscal year adopted by such entity.

“Force Majeure Event” means any of the following: acts of God; strikes, lockouts or other employee disturbances; acts of public enemies; validly issued orders of any kind of the government of the United States of America, the state or states in which a Member of the Combined Group is doing business, or any of their departments, agencies, political subdivisions or officials, or any civil or military authority, imposed due to factors not within the control of such Member of the Combined Group and having a material effect on its ability to carry out its agreements under this Master Indenture; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; civil disturbances; explosions, breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or similar acts or events, other than financial inability, not within the control of such Member of the Combined Group.

“Generally Accepted Accounting Principles” means and includes definitions of concepts and principles as well as industry specific rules applicable in the preparation of financial statements in the United States, as contained within the Financial Accounting Standards Board Accounting Standards Codification or any successor authoritative guidance of generally accepted accounting principles.

“Gross Revenues” means all receipts, revenues, income and other moneys received by or on behalf of a Member of the Obligated Group, and all rights to receive the same, whether in the form of accounts, accounts receivable, deposit accounts, contract rights, chattel paper, instruments, documents, general intangibles, letter of credit rights, investment property or other rights, and the proceeds thereof, and insurance thereon (all terms which are used this definition which are defined in the UCC shall have

the same meanings herein as such terms are defined in the UCC, unless this Master Indenture shall otherwise specifically provide), whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by a Member of the Obligated Group and including all Swap Receipts and Swap Termination Payments payable to a Member of the Obligated Group; provided, however, that there shall be excluded from Gross Revenues any Excluded Property.

“Gross Revenues Account” means the account of that name established pursuant to Section 401 of this Master Indenture.

“Guarantee” means a loan commitment and all obligations of the Combined Group Agent or another Member of the Obligated Group guaranteeing in any manner whatsoever, whether directly or indirectly, any obligation (including an Obligation of any other Person which would, if such other Person were the Combined Group Agent or another Member of the Obligated Group, constitute an Obligation hereunder.

“Indebtedness” means all indebtedness of a Person for borrowed moneys or credit extended, including Guarantees, whether long-term or short-term, parity or subordinate, secured or unsecured, including any leases required to be capitalized in accordance with Generally Accepted Accounting Principles, installment purchase obligations, and any other extension of credit by a third party which are properly treated as liabilities under Generally Accepted Accounting Principles. Indebtedness shall not include:

- (a) current obligations payable out of current revenues, including current payments for the funding of pension plans;

- (b) obligations under contracts for supplies, services and pensions, allocable to the current operating expenses of future years in which the supplies are to be furnished, the services rendered or the pensions paid;

- (c) obligations of a Member of the Combined Group to another Member of the Combined Group;

- (d) rentals payable under leases that are not properly capitalized under Generally Accepted Accounting Principles and, additionally, any lease that was not capitalized under Generally Accepted Accounting Principles as of the date of execution thereof, but at a later date is required to be capitalized under Generally Accepted Accounting Principles then in effect may, at the sole discretion of the Combined Group Agent, be excluded from Indebtedness;

- (e) obligations under a Swap Agreement;

- (f) Non-Recourse Indebtedness;

- (g) obligations payable from funds available (without reinvestment) in a Qualified Escrow;

and

- (h) any other obligations that do not constitute indebtedness under Generally Accepted Accounting Principles.

Nothing in this definition or otherwise shall be construed to count Indebtedness more than once, and Indebtedness incurred pursuant to a Loan Commitment shall be counted only to the extent the reimbursement obligation on amounts drawn or, in the reasonable judgment of the Combined Group

Agent, likely to be drawn, on the Loan Commitment exceeds the obligation on the Indebtedness for which such Loan Commitment is provided. The examples of items set forth in clauses (a) through (h) above excluded from Indebtedness are not intended to create any implication that any other liability shall be included as Indebtedness solely as a result of such liability not being within the plain meaning of (a) through (h).

As set forth in Section 103, for the avoidance of doubt, it is the intent of the parties on the date of the signing and delivery of this Master Indenture that any operating lease, as defined by the Financial Accounting Standards Board on the date of signing and delivery of this Master Indenture, and any renewal of such operating lease, shall be governed in accordance with Generally Accepted Accounting Principles in effect on the date of signing and delivery of this Master Indenture and shall not be treated as the incurrence of Indebtedness or the disposition of Property, unless otherwise elected by the Combined Group Agent.

“Independent” means a Person who is: (i) not a member of the governing body or an officer or employee of the Combined Group Agent or another Member of the Combined Group or an Affiliate thereof; (ii) is in fact independent; and (iii) does not have any direct financial interest or any material indirect financial interest in the System.

“Industry Restrictions” means federal, state or other applicable governmental laws or regulations or general industry standards or general industry conditions placing restrictions and limitations on the rates, fees and charges to be fixed, charged and collected by the System.

“Lien” means any mortgage or pledge of, or security interest in, or lien or encumbrance on, any Property, excluding Liens applicable to Property in which any Member of the Combined Group has only a leasehold interest, unless the Lien is with respect to such leasehold interest.

“Liquid Unrestricted Net Assets” means an amount equal to, at the option of the Combined Group Agent, (i) the Unrestricted Net Assets of the System minus Net Investment in Plant of the System, (ii) the Unrestricted Net Assets of the Combined Group minus Net Investment in Plant of the Combined Group, or (iii) the Unrestricted Net Assets of the Obligated Group minus Net Investment in Plant of the Obligated Group, all as set forth in the most recent applicable Financial Statements of the System; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Loan Commitment” means an unconditional irrevocable letter of credit, a bond insurance policy, a bond purchase agreement, a guarantee, a line of credit that is revocable only upon the insolvency of the Combined Group Agent or another Member of the Obligated Group, a binding long term loan commitment or other similar extension of credit which is issued (i) for the purpose of providing a source of funds for the payment of all or any portion of the Combined Group Agent’s or such Combined Group Member’s payment obligations under any Indebtedness, including Balloon Indebtedness or Demand Obligation or the purchase thereof, and (ii) by a bank, trust company, savings and loan association, insurance company or other institutional lender.

“Long Term Indebtedness” means any or all Indebtedness of a Person, except Short Term Indebtedness and Subordinated Indebtedness.

“Master Indenture” means this Amended and Restated Master Trust Indenture (Security Agreement), dated as of February 1, 2022, among the Combined Group Agent, the other Members of the Obligated Group listed on Exhibit A hereto, any other future Members of the Obligated Group, and the Master Trustee, as it may from time to time be further amended, supplemented or substituted in accordance with the terms hereof.

“Master Trustee” means The Bank of New York Mellon Trust Company, N.A., or any successor trustee under the Master Indenture.

“Maximum Annual Debt Service Requirements” means, as of the date of calculation, the highest annual Debt Service Requirements payable on any Long Term Indebtedness during the then current or any succeeding Fiscal Year over the remaining term of all Obligations.

“Member” means, unless the contexts clearly requires otherwise, any Member of the Combined Group.

“Member of the Combined Group” or “Combined Group Member” means any Member of the Obligated Group and any Designated Affiliate.

“Member of the Obligated Group” or “Obligated Group Member” means the Combined Group Agent and any Person who is listed on **Exhibit A** hereto after designation as a Member of the Obligated Group pursuant to the terms of this Master Indenture. The Combined Group Agent shall from time to time promptly deliver a revised Exhibit A to the Master Trustee, indicating additions or deletions of Members of the Obligated Group.

“Net Assets” of a Person or group of Persons shall be defined in accordance with Generally Accepted Accounting Principles.

“Net Investment in Plant” of a Person or a group of Persons shall be defined in accordance with Generally Accepted Accounting Principles.

“Net Revenues” means, for any period, at the option of the Combined Group Agent, (i) Adjusted Unrestricted Revenues of the System (or the equivalent as permitted) less Adjusted Unrestricted Expenses of the System (or the equivalent as permitted), (ii) Adjusted Unrestricted Revenues of the Combined Group (or the equivalent as permitted) less Adjusted Unrestricted Expenses of the Combined Group (or the equivalent as permitted), or (iii) Adjusted Unrestricted Revenues of the Obligated Group (or the equivalent as permitted) less Adjusted Unrestricted Expenses of the Obligated Group (or the equivalent as permitted).

“New Members” means, collectively, Albert Einstein Health Network, Albert Einstein Medical Center, Einstein Community Health Associates, Inc., Einstein Medical Center Montgomery, Einstein Practice Plan, Inc., Fornance Physician Services, Montgomery Hospital and Montgomery Health Foundation, each of which have met the requirements set forth in Section 614 hereof and have accepted and agreed to the terms of this Master Indenture as evidenced by their execution of this Master Indenture.

“Non-Recourse Indebtedness” means any indebtedness, the holder of which has no claim for any payments in respect thereof against any properties (except for Permitted Encumbrances) or the Gross Revenues of the Obligated Group and the other assets on which there are Liens securing any Obligations or Subordinated Obligations hereunder.

“Obligated Group” means, collectively, the Combined Group Agent, the other Members listed on Exhibit A, and any other Person that has fulfilled the requirements for entry into the Obligated Group set forth in Section 614 hereof and which has not ceased such status pursuant to Section 616 hereof.

“Obligation holder,” “holder of an Obligation” or “owner of an Obligation” means the registered owner of any fully registered or book entry Obligation unless alternative provision is made in the

Supplemental Master Indenture pursuant to which such Obligation is issued for establishing ownership of such Obligation, in which case such alternative provision shall control.

“Obligations” means any obligation issued under this Master Indenture as a joint and several obligation of each Member of the Obligated Group, evidencing or securing particular Indebtedness (including a series of Related Bonds, Parity Indebtedness and Subordinated Indebtedness) and any obligations of a Person with respect to Swap Payments and Swap Termination Payments. Any calculations hereunder such as those covering Debt Service Requirements on Obligations shall be made without duplication.

“Operating Assets” means all tangible Property of any Person owned by such Person; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Opinion of Counsel” means an opinion in writing signed by legal counsel acceptable to the Combined Group Agent and the Master Trustee, who may be an employee of or counsel to Combined Group Agent or an Affiliate of Combined Group Agent.

“Outstanding” means, in the case of any Obligations, any Indebtedness, or any Related Bonds, all Obligations, all Indebtedness or all Related Bonds, as the case may be, except:

- (a) Obligations, Indebtedness or Related Bonds canceled after purchase in the open market or after payment at or prepayment or redemption prior to maturity;

- (b) Obligations, Indebtedness or Related Bonds for the payment or redemption of which cash or non-callable Escrow Securities, or a combination thereof, have been deposited with the Master Trustee, the lender or a trustee or fiduciary for such lender, or the Related Bond Trustee, as applicable (whether upon or prior to their maturity or redemption date thereof) in an amount that is sufficient to pay the amounts due thereon; provided that if such Obligations, Indebtedness or Related Bonds are to be prepaid or redeemed prior to their maturity, notice of prepayment or redemption has been given or irrevocable arrangements satisfactory to the Master Trustee, the lender or a trustee or fiduciary for such lender, or the Related Bond Trustee, as applicable, have been made therefor, or waiver of such notice by the Person entitled to such notice has been provided;

- (c) Obligations, Indebtedness or Related Bonds in lieu of which other instruments or securities have been authenticated and delivered; and

- (d) For the purpose of all consents, approvals, waivers and notices required to be obtained or given under this Master Indenture, any relevant loan document relating to Indebtedness, or any Related Bond Indenture, as applicable, Obligations, Indebtedness or Related Bonds held or owned by a Member of the Obligated Group except that in determining whether the Master Trustee shall be protected in relying upon any such approval or consent of Obligation holders, only Obligations that a Responsible Officer of the Master Trustee actually knows to be held or owned by a Member of the Obligated Group shall be disregarded.

Notwithstanding the foregoing, any Obligation or other Indebtedness securing Related Bonds shall be deemed Outstanding only if such Related Bonds are Outstanding.

“Parent Corporation” means TJU or any Person that hereafter may control TJU and the other Members of the Combined Group.

“Parity Indebtedness” means Indebtedness secured (to the extent and in the manner provided herein) by a Lien on the Gross Revenues equally and ratably with the Obligations.

“Parity Swap Payment” means a Swap Payment (other than a Swap Termination Payment) secured (to the extent and in the manner provided herein) by an Obligation.

“Permitted Encumbrances” has the meaning set forth in Section 402(b).

“Permitted Investments” means (i) with respect to any Obligation which secures a series of Related Bonds, the obligations in which the Related Bond Trustee may invest funds under the Related Bond Indenture, (ii) with respect to any Obligations for which a Supplemental Master Indenture specifies certain permitted investments, the investments so specified and (iii) in all other cases such legal investments as are determined and designated in writing by the Combined Group Agent.

“Permitted Reorganization” means any consolidation, merger, sale of assets or reorganization of any Members of the Obligated Group permitted by Section 608 of the Master Indenture.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a joint stock company, a joint venture, a trust, any unincorporated organization, a governmental unit or agency, a political subdivision or instrumentality thereof, a municipality or a municipal authority, or any other group or organization of individuals.

“Property” means, when used in connection with any Person, any and all rights, title and interests of such Person in and to any and all property (including cash) whether real, personal or mixed, or tangible or intangible, and wherever situated.

“Qualified Escrow” means a segregated escrow fund or other similar fund or account which (a) is irrevocably established as security for Long Term Indebtedness previously incurred and then outstanding (herein referred to as “Prior Indebtedness”) or for Long Term Indebtedness, if any, then to be incurred to refund outstanding Prior Indebtedness (herein referred to as “Refunding Indebtedness”), (b) is held in cash or invested in Escrow Securities by the holder of the Prior Indebtedness or Refunding Indebtedness secured thereby or by a trustee or agent acting on behalf of such holder and is subject to a perfected security interest in favor of such holder, trustee or agent, and (c) is required by the documents establishing such fund or account to be applied toward the payment obligations in respect of the Prior Indebtedness, provided that, if the fund or account is funded in whole or in part with the proceeds of Refunding Indebtedness, the documents establishing the same may require specified payments of principal or interest (or both) in respect of the Refunding Indebtedness to be made from the fund or account prior to the date on which the Prior Indebtedness is repaid in full.

“Regulatory Body” means any federal, state or local government, department, agency, authority or instrumentality and any other public or private body, including accrediting organizations, having regulatory jurisdiction and authority over a Member of the Combined Group, or the operations of such Member.

“Related Bonds” means (a) any revenue bonds or similar obligations issued by any state, commonwealth or territory of the United States or any municipal corporation or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to any Member of the Combined Group in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations to or upon the order of such governmental issuer and (b) any revenue or general obligation bonds issued by or on behalf of any

Member of the Combined Group or any other Person in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations to the holder of such bonds or the Related Bond Trustee.

“Related Bond Indenture” means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

“Related Bond Issuer” means any issuer of a series of Related Bonds.

“Related Bond Trustee” means any trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Bond Issuer.

“Related Loan Document” means any document or documents (including without limitation any loan agreement, lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are loaned to, advanced to or made available to or for the benefit of any Member of the Combined Group (or any Property financed or refinanced with such proceeds is leased, sublet or sold to a Member of the Combined Group).

“Responsible Officer” means, when used with respect to the Master Trustee, any officer of the Master Trustee within the corporate trust office specified in Section 1204 (or any successor corporate trust office) having direct responsibility for the administration of this Master Indenture.

“Short Term Indebtedness” means Indebtedness that matures not later than 365 consecutive days after it is incurred or any obligation for the repayment of borrowed moneys which is payable upon demand within such period at the option of the holder; provided that the term Short Term Indebtedness shall not be deemed to include any Long Term Indebtedness, Demand Obligations or which the holder thereof does not have the option to demand payment within 365 days or Subordinated Indebtedness.

“Stated Maturity” when used with respect to any Indebtedness or any installment of interest thereon means the date specified in such Indebtedness as the fixed date on which the principal of such Indebtedness or such installment of interest is due and payable, and when used in connection with Obligations that are not Indebtedness means the date for payment of the same.

“Subordinated Indebtedness” means Indebtedness, including Guarantees if so provided in such Indebtedness, secured by a Lien on the Gross Revenues that is by its terms expressly subordinated to the Lien on the Gross Revenues granted by the Obligated Group to the Master Trustee pursuant to this Master Indenture, and whose terms conform with the provisions in this Master Indenture governing Subordinated Indebtedness.

“Subordinated Obligation” means any Obligation of a Member of the Obligated Group, including Guarantees if so provided in such Obligation, secured by a Lien on the Gross Revenues that is by its terms expressly subordinated to the Lien on the Gross Revenues granted by the Obligated Group to the Master Trustee pursuant hereto; and whose terms conform with the provisions herein governing Subordinated Obligations. A series of Related Bonds may be designated as a Subordinated Obligation. For the avoidance of doubt, Swap Termination Payments are Subordinated Obligations.

“Subordinated Obligations Agreement” means (i) any agreement evidencing, or providing for the repayment of and security for a Subordinated Obligation and (ii) any agreement executed in connection with a series of Related Bonds designated as a Subordinated Obligation setting forth additional obligations or covenants of an Obligated Group Member such as a continuing covenant agreement entered into in connection with a series of Related Bonds designated as a Subordinated Obligation placed with a

commercial bank or other financial institution or an agreement entered into with an insurer of a series of Related Bonds designated as a Subordinated Obligation.

“Subordinated Obligation Documents” means any agreements executed in connection with Subordinated Obligations and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“Supplemental Master Indenture” means an indenture amending or supplementing this Master Indenture entered into pursuant to Article IX hereof after the date hereof.

“Swap” or “Swap Agreement” means (i) the Existing Swaps, and (ii) another agreement between Combined Group Agent or another Member of the Obligated Group (or the Master Trustee, at the written direction of Combined Group Agent or such other Member of the Obligated Group) and a Swap Counterparty providing for an interest rate swap, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, corridor transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of these transactions entered into with respect to any Related Bonds or Indebtedness.

“Swap Counterparty” means a member of the International Swap and Derivatives Association, Inc. that is the counterparty on any Swaps entered into in accordance with the provisions hereof.

“Swap Payments” means as of each payment date specified in a Swap, the net amount, if any, payable to the Swap Counterparty pursuant to the Swap. Swap Payments do not include any Swap Termination Payments.

“Swap Receipts” means as of each payment date specified in a Swap, the net amount, if any, payable to Combined Group Agent or such other Member of the Obligated Group (or, if applicable, to the Master Trustee) by the Swap Counterparty pursuant to the Swap. Swap Receipts do not include any Swap Termination Payments.

“Swap Termination Payment” means, with respect to any Swap, any settlement amount payable by the applicable Swap Counterparty or Combined Group Agent (or another Member of the Obligated Group) by reason or on account of the early termination or modification of such Swap. The term “Swap Termination Payment” does not include net unpaid amounts which would have been payable by the Swap Provider or Combined Group Agent (or another Member of the Obligated Group) pursuant to the terms of the applicable Swap irrespective of the early termination of such Swap. For the avoidance of doubt, Swap Termination Payments are Subordinated Obligations.

“System” means the Person that all of the financial results of the Combined Group consolidate into or, if no such single Person exists, the group of Persons comprised of all Members of the Combined Group and all of their Affiliates.

“Tax-Exempt Bonds” means, any Related Bonds, with respect to which Bond Counsel has delivered an opinion that the interest thereon is not includible in gross income of the holders thereof for federal income tax purposes.

“Tax-Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, and which is not a “private

foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“TJU” means Thomas Jefferson University, a non-profit corporation organized and existing under the laws of the Commonwealth, and its permitted successors and assigns.

“Total Unrestricted Expenses” means, at the option of the Combined Group Agent, the total consolidated unrestricted operating expenses of either the System, the Combined Group, or the Obligated Group, as set forth in the applicable financial statements of the Person in question.

“Total Unrestricted Revenues” means, at the option of the Combined Group Agent, the total unrestricted revenues of either the System, the Combined Group, or the Obligated Group, as set forth in the applicable financial statements of the Person in question.

“UCC” means the Uniform Commercial Code of the Commonwealth as in effect from time to time.

“Unrestricted Net Assets” of a Person or group of Persons shall be defined in accordance with Generally Accepted Accounting Principles; provided, however, the foregoing calculation may take into account the provisions of Section 102 hereof.

“Variable Rate Indebtedness” means any Long Term Indebtedness, the rate of interest on which is subject to change prior to maturity.

Section 102. Interpretation.

(a) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular. The terms “hereof,” “herein” and similar terms refer to this Master Indenture.

(b) All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles consistently applied, except as otherwise stated herein.

(c) If any change in accounting principles from those used in the preparation of the financial statements of the System, the Combined Group Agent or of any Member of the Obligated Group or the Combined Group as of June 30, 2021 results from the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, or other authoritative bodies that determine Generally Accepted Accounting Principles (or successors thereto or agencies with similar functions) and such change results in a change in the accounting terms used in this Master Indenture, the accounting terms used herein shall be modified to reflect such change in accounting principles so that the criteria for evaluating the System’s, the Combined Group Agent’s or such Member of the Obligated Group’s or the Combined Group’s financial condition shall be the same after such change as if such change had not been made. Any such modification shall be described in a Certificate of Combined Group Agent filed with the Master Trustee, which shall contain a certification to the effect that (i) such modifications are occasioned by such a change in Generally Accepted Accounting Principles and (ii) such modifications will not have a materially adverse effect on the holders or result in materially different criteria for evaluating the System’s, the Combined Group Agent’s or such Member of the Obligated Group’s or Combined Group’s financial condition.

(d) In this Master Indenture, all references to any contract or agreement mean references to that contract or agreement, as amended or supplemented at the time in question in accordance with the provisions of this Master Indenture and such agreement. All references to any time of the day shall refer to Eastern standard time or Eastern daylight savings time, as in effect in the City of Philadelphia, Pennsylvania on such day.

(e) If a calculation being made under this Master Indenture is required or permitted to be made after giving effect to a transaction (e.g., a merger or a withdrawal of a Member of the Obligated Group), then, at the option of Combined Group Agent, the Financial Statements of the System used to make such calculation (e.g., the calculation of Liquid Unrestricted Net Assets) may be unaudited and may use estimates based on the pro forma Financial Statements of the System after giving effect to the transaction in question or taking the transaction into account, so long as the Combined Group Agent delivers a Certificate to the Master Trustee stating that the financial results, although not audited, were prepared substantially in accordance with Generally Accepted Accounting Principles and, in the opinion of Combined Group Agent, fairly represent the estimated financial conditions after giving effect to the transaction or taking the transaction into account.

(f) Reserved.

(g) If any Obligations are issued hereunder to secure Related Bonds, which Related Bonds are valued, in accordance with the provisions of a Related Bond Indenture, at other than their principal amount for purposes of the provisions of such Related Bond Indenture relating to redemption, acceleration, defeasance, computation of Related Bonds Outstanding, application of moneys in payment of the Related Bonds and actions by holders of such Related Bonds, then, for purposes of this Master Indenture, references in this Master Indenture to the principal amount of the Obligations issued to evidence or secure such Related Bonds contained herein shall be deemed to refer to an amount equal, at any time of calculation, to the valuation of such Related Bonds, at such time of calculation, as set forth in such Related Bond Indenture.

(h) Notwithstanding anything else in this Master Indenture to the contrary, in computing or calculating Adjusted Unrestricted Expenses, Adjusted Unrestricted Revenues, Days Cash On Hand Ratio, Debt Service Coverage Ratio, Liquid Unrestricted Net Assets, Operating Assets, Total Unrestricted Expenses, Total Unrestricted Revenues, Unrestricted Net Assets, and other quantitative financial tests or provisions, the Obligated Group, at the option of the Combined Group Agent, may, unless the context specifically requires otherwise, utilize financial and other information either (i) with respect to the Members of the Obligated Group in the aggregate, (ii) with respect to the Members of the Combined Group in the aggregate, or (iii) with respect to the System, on a consolidated basis, such percentage to be calculated in a manner that excludes intercompany eliminations from the numerator of such calculation. Except where the context otherwise requires, all references herein to “as the case may be” shall be deemed to require an election by the Combined Group Agent of one (and only one) of the foregoing clauses (i), (ii) or (iii) applied consistently for the applicable definition, provision or covenant.

Section 103. Accounting Principles and Procedures; Interpretation; References to Financial Statements.

(a) If the character or amount of any asset or liability or item of income or expense is required to be determined, or any consolidation, combination or other accounting computation is required to be made for the purposes of this Master Indenture or any agreement, document or certificate executed and delivered in connection with or pursuant to this Master Indenture, that determination or computation shall be made in accordance with Generally Accepted Accounting Principles in effect, as determined at the sole option of the Combined Group Agent, on (i) the date such determination or computation is made

for any purpose of this Master Indenture, or (ii) the date of signing and delivery of this Master Indenture, if in the case of clause (ii) the Combined Group Agent delivers a Certificate to the Master Trustee that describes why the then-current Generally Accepted Accounting Principles are inconsistent with the intent of the parties on the date of signing and delivery of this Master Indenture. For the purpose of preparing consolidated or combined financial information for two or more entities, transactions between those entities shall be eliminated and the specific provisions of this Master Indenture shall prevail over any inconsistent Generally Accepted Accounting Principles. Unless otherwise expressly provided herein, for the purpose of determining the amount of assets, liabilities, equity or capital, or revenues, expenses, income, losses or gains of the System, the Obligated Group or the Combined Group or any Obligated Group Member or Combined Group Member, or other Affiliate of the System, the Obligated Group or the Combined Group, the amount of the respective item shall be determined on a consolidated basis, in accordance with Generally Accepted Accounting Principles, consistently applied. For the purpose of determining any consolidated financial information with respect to the System, the Obligated Group, the Combined Group or any Obligated Group Member or Combined Group Member, or other Affiliate of the System, the Obligated Group or the Combined Group, reference shall be made, unless that information is otherwise available as audited, consolidating financial information set forth as other financial information within an audit report in which audited financial statements are set forth on a consolidated or combined basis, that reflects financial information of one or more entities that are not to be taken into account hereunder in the determination of financial information with respect to the System, the Obligated Group, the Combined Group or any Obligated Group Member or Combined Group Member, or other Affiliate of the System, the Obligated Group or the Combined Group for the same Fiscal Year, may be utilized in place of audited information. For the avoidance of doubt, it is the intent of the parties on the date of the signing and delivery of this Master Indenture that any operating lease, as defined by the Financial Accounting Standards Board on the date of signing and delivery of this Master Indenture, and any renewal of such operating lease, shall be governed in accordance with Generally Accepted Accounting Principles in effect on the date of signing and delivery of this Master Indenture and shall not be treated as the incurrence of Indebtedness or the disposition of Property, unless otherwise elected by the Combined Group Agent.

ARTICLE II

THE OBLIGATIONS

Section 201. Series, Designation and Amount of Obligations. No Obligations may be issued under the provisions of this Master Indenture except in accordance with this Article. Other than the Combined Group Agent, no authorization or appointment of any Member of the Obligated Group or Designated Affiliate or the System is required under this Master Indenture for the issuance of Obligations. No Obligations may be issued under this Master Indenture unless (i) such Obligation is executed by the Combined Group Agent; or (ii) with the written consent of the Combined Group Agent, such Obligation is executed by any other Member of the Obligated Group. The total amount of Obligations, the number of Obligations and the series of Obligations that may be created under this Master Indenture is not limited and shall be as set forth in the Supplemental Master Indenture providing for the issuance thereof. Each series of Obligations shall be issued pursuant to a Supplemental Master Indenture. Each series of Obligations shall be designated so as to differentiate the Obligations of such series from the Obligations of any other series. Unless provided to the contrary in a Supplemental Master Indenture, Obligations shall be issued as fully registered Obligations.

Section 202. Payment of Obligations. The principal of, premium, if any, and interest on the Obligations, and any other amounts due under an Obligation, shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such amounts shall be payable at the designated corporate trust

office of the Master Trustee or at the office of any Related Bond Trustee named in any such Obligations or in a Related Bond Indenture or to the registered owner of such Obligation, as may be provided in such Obligation. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued or the election referred to in the next sentence is made, payments on the Obligations shall be made to the person appearing on the registration books of the Obligated Group (kept in the designated corporate trust office of the Master Trustee or its agent as Obligation registrar) as the registered owner thereof and shall be paid by check or draft mailed to the registered owner at its address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by such holder; provided, however, that any Supplemental Master Indenture creating any Obligation may provide that amounts due under such Obligation may be paid, upon the written request of the holder of such Obligation, by wire transfer or by such other means as are then commercially reasonable and acceptable to the holder thereof and the Master Trustee. The foregoing notwithstanding, if a Member of the Obligated Group so elects, or if an Obligation so provides, payments on such Obligation shall be made directly by such Member of the Combined Group, by check or draft hand delivered to the holder thereof or its designee or shall be made by such Member of the Combined Group by wire transfer to such holder, or by such other means as are then commercially reasonable and acceptable to the holder thereof, in any case delivered on or prior to the date on which such payment is due. Upon the written request of the Master Trustee, each Member of the Obligated Group shall provide information identifying the Obligation or Obligations with respect to which such payment, specifying the amount, was made, by series, designation, number and registered holder. Except with respect to Obligations directly paid to or upon the order of the holder thereof, or as otherwise may be provided in a Supplemental Master Indenture, the Members of the Obligated Group agree to deposit with the Master Trustee prior to each due date of the principal of, premium, if any, or interest on any of the Obligations a sum sufficient to pay such principal, premium, if any, or interest so becoming due. Any such moneys shall upon written request and direction of the Combined Group Agent be invested in Permitted Investments. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Obligations pledged to the payment of Related Bonds shall be invested in accordance with the provisions of the Related Bond Indenture and Related Loan Document. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments made in accordance with the terms hereof. Supplemental Master Indentures may create such security including debt service reserve funds and other funds as are necessary to provide for payment or to hold moneys deposited for payment or as security for a related series of Obligations.

Section 203. Execution. Obligations shall be executed on behalf of a Member of the Obligated Group by the manual or, if permitted by law, facsimile signature of an Authorized Representative of the Member (or on their behalf by a similar Authorized Representative of the Combined Group Agent). In case any officer whose signature or facsimile of whose signature shall appear on the Obligations shall cease to be such officer before the delivery of such Obligations, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

Section 204. Authentication. No Obligation shall be valid or obligatory for any purpose or entitled to any security or benefit under this Master Indenture unless and until a certificate of authentication on such Obligation substantially in the form set forth below shall have been duly executed by the Master Trustee, and such executed certificate of the Master Trustee upon any such Obligation shall be conclusive evidence that such Obligation has been authenticated and delivered under this Master Indenture. The Master Trustee's certificate of authentication on any Obligation shall be deemed to have been executed by it if signed by an authorized officer or signer of the Master Trustee, but it shall not be necessary that the same officer or signer sign the certificate of authentication on all of the Obligations issued hereunder.

The Master Trustee's authentication certificate shall be in substantially the following form:

Master Trustee's Authentication Certificate

This Obligation is one of the Obligations described in the within-mentioned Master Indenture.

_____, as
Master Trustee

By: _____
Authorized Officer

Section 205. Form of Obligations. All Obligations issued under this Master Indenture shall be substantially in the form set forth or referred to in the Supplemental Master Indenture pursuant to which such Obligations are issued, to reflect the terms and conditions thereof as established hereby and by any Supplemental Master Indenture. Unless Obligations of a series have been registered under the Securities Act of 1933, as amended, each Obligation of such series shall be endorsed with a legend which shall read substantially as follows: "This [Obligation/Note/Guarantee] has not been registered under the Securities Act of 1933, as amended."

Section 206. Mutilated, Lost, Stolen or Destroyed Obligations. In the event any temporary or definitive Obligation is mutilated, lost, stolen or destroyed, the Member of the Obligated Group issuing such Obligation may execute and the Master Trustee may authenticate a new Obligation of like form, date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Obligation, such mutilated Obligation shall first be surrendered to the Master Trustee, and in the case of any lost, stolen or destroyed Obligation, there shall be first furnished to the Combined Group Agent, such Member of the Obligated Group and the Master Trustee evidence of such loss, theft or destruction satisfactory to the Combined Group Agent, such Member of the Obligated Group and the Master Trustee, together with indemnity satisfactory to them. In the event any such Obligation shall have matured, instead of issuing a duplicate Obligation the Obligated Group may pay the same without surrender thereof. The Obligated Group and the Master Trustee may charge the holder or owner of such Obligation with their reasonable fees and expenses in this connection, including attorney's fees, costs and expenses.

Section 207. Registration; Negotiability; Cancellation Upon Surrender; Exchange of Obligations. Upon surrender for transfer of any Obligation at the designated corporate trust office of the Master Trustee, the Member of the Obligated Group issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Obligation or Obligations of the same series, designation and maturity without coupons for a like aggregate amount.

The execution by a Member of the Obligated Group of any Obligation of any denomination shall constitute full and due authorization of such denomination and the Master Trustee shall thereby be authorized to authenticate and deliver such Obligation.

As to any Obligation, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the amounts due under any such Obligation shall be made only to or upon the order of the registered owner thereof or his

legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid.

Any Obligation surrendered for the purpose of payment or retirement or for replacement pursuant to Section 206 hereof shall be canceled upon surrender thereof to the Master Trustee. Certification of Obligations canceled by the Master Trustee shall be made to the Combined Group Agent. Canceled Obligations may be destroyed by the Master Trustee unless instructions to the contrary are received from the Combined Group Agent.

The Obligated Group and the Master Trustee may charge each Obligation holder requesting an exchange, registration, change in registration or transfer of an Obligation any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer.

Section 208. Reserved.

Section 209. Issuance of Obligations in Forms Other than Notes. To the extent that any Obligation is not in the form of a promissory note, an Obligation in the form of a promissory note may be issued hereunder and pledged as security for the payment of the amounts due under any such Obligation. Nevertheless, the parties hereto agree that Obligations may be issued hereunder to evidence any type of obligation, including but not limited to, Indebtedness (other than Non-Recourse Indebtedness), including without limitation any obligation or Indebtedness in a form other than a promissory note. In addition, any Subordinated Obligation or Swap Agreement may be authenticated as an Obligation hereunder, so long as its terms otherwise comply with the requirements hereof. Consequently, the Supplemental Master Indenture pursuant to which any Obligation is issued may provide for such supplements or amendments to the provisions hereof as are necessary to permit the issuance of such Obligation hereunder and as are not inconsistent with the intent hereof that, except as otherwise expressly provided herein, all Obligations issued hereunder be equally and ratably secured hereunder, including by the pledge of Gross Revenues created under Article IV hereof. Any Swap which is authenticated as an Obligation hereunder shall be equally and ratably secured hereunder with all other Obligations issued hereunder, except as otherwise expressly provided herein or therein; provided, however, that any such Swap shall be deemed to be Outstanding hereunder solely for the purpose of receiving payment hereunder and shall not be entitled to exercise any rights hereunder, including but not limited to any rights to direct the exercise of remedies, to vote or to grant consents.

Anything in this Master Indenture to the contrary notwithstanding, the Obligated Group or any Member of the Obligated Group thereof may issue Swaps pursuant to this Master Indenture, without designating in such Swap or in the Supplemental Master Indenture pursuant to which such Swap is issued, and without regard to, a notional or principal amount, to any provider of one or more interest rate swaps, forward or futures contracts, or options, in order to evidence and secure one or more of such swaps, contracts or options issued by or with the same provider during a single Fiscal Year or calendar year, as designated by the Combined Group Agent.

Section 210. Substitute Obligations upon Withdrawal of a Member of the Obligated Group. In the event any Member of the Obligated Group ceases to be a Member of the Obligated Group in accordance with Section 616 and, in compliance with Section 616(f), another Member of the Obligated Group issues an Obligation hereunder pursuant to a Supplemental Master Indenture evidencing or assuming the Obligated Group's obligation in respect of Related Bonds or other Obligations, if so provided for in such Obligation originally issued by such withdrawing Member of the Obligated Group, such Obligation shall be surrendered to the Master Trustee in exchange for a substitute Obligation without notice to or consent of any Related Bondholder and Obligation holder, provided that such substitute

Obligation provides for payments of principal, interest, premium and other amounts due under such Obligation identical to the surrendered Obligation and sufficient to provide all payments on any Related Bonds and Obligations.

Section 211. Appointment of Combined Group Agent. Each Member of the Combined Group, by becoming a Member of the Combined Group, irrevocably appoints the Combined Group Agent as its agent and true and lawful attorney in fact and grants to the Combined Group Agent full and exclusive power to:

(a) authorize, negotiate and determine the terms of, and execute and deliver, Obligations and Supplemental Master Indentures authorizing the issuance of Obligations or series of Obligations;

(b) as applicable, negotiate and determine the terms of, approve, execute, deliver, perform, amend, waive provisions of, grant consents related to, extend and terminate: loan agreements, bond indentures, bond purchase agreements related to liquidity or insurance, disclosures, and all such other agreements and instruments as are reasonably related to entering into and managing the specific transactions represented by such Supplemental Master Indentures;

(c) negotiate and determine the terms of, approve, execute, deliver, perform, amend, waive provisions of, grant consents related to, extend and terminate certificates and other undertakings as are reasonably necessary or appropriate to entering into and managing the specific transactions represented by such Supplemental Master Indentures and/or Obligations; and

(d) manage, oversee, direct, authorize, control, and implement (i) all Outstanding Indebtedness and financial relationships related in any manner to such Indebtedness, including, but not limited to: credit support and liquidity facilities; (ii) Swaps; (iii) related insurance products and policies; (iv) debt management policy setting and determinations such as the mix of fixed and variable debt and similar determinations; (v) allocation, calculations, accounting for, collections from Members of the Combined Group, and payment of debt service, discounts, premiums, costs of issuance and other costs and fees related to Indebtedness, including termination, amendment and similar fees; (vi) planning, authorization and implementation of conversions, refunding, defeasances and other debt management or modification activities; (vii) all waivers, consents or amendments to any document or agreement, directly or indirectly, related to one or more of the Obligations, this Master Indenture and any Supplemental Master Indenture, including, but not limited to, any of the types of documents or agreements mentioned in subsections (b) and (c) above and this subsection (d); and (viii) direction of agents and control, direction and management of third party relationships (such as trustees, paying agents, registrars, issuing authorities, underwriters, remarketing agents, swap counterparties, financial and other advisors, and counsel) related to Indebtedness or the issuance of Obligations. The authority granted in this Section shall be and remain irrevocable until and unless any Member of the Combined Group is permitted to withdraw from the Combined Group in accordance with the terms hereof. Notwithstanding the foregoing and for the avoidance of doubt, the provisions of this Section 211 may be amended in accordance with the terms of Article IX hereof.

Section 212. Conditions to Issuance of Obligations Hereunder. With respect to Obligations to be issued hereunder, simultaneously with or prior to the execution, authentication and delivery of Obligations pursuant to this Master Indenture:

(a) All requirements and conditions to the issuance of such Obligations, if any, set forth in the Supplemental Master Indenture or in this Master Indenture shall have been complied with and satisfied, as provided in a Certificate of the Combined Group Agent delivered to the Master Trustee; and

(b) The issuer of such Obligations shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (1) registration of such Obligations under the Securities Act of 1933, as amended, and qualification of this Master Indenture or the Supplemental Master Indenture under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with, (2) the Master Indenture and the Obligations are valid, binding and enforceable obligations of the Members of the Obligated Group in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally and usual equity principles and subject to such other exceptions as are not reasonably objected to by the Master Trustee, and (3) all of the conditions contained herein related to the issuance of Obligations have been satisfied.

ARTICLE III

PREPAYMENT OR REDEMPTION OF OBLIGATIONS

Section 301. Prepayment or Redemption Dates and Prices. Obligations shall be subject to optional and mandatory prepayment or redemption in whole or in part and may be prepaid or redeemed prior to maturity as provided in the Supplemental Master Indenture or the Related Loan Document pertaining to the series of Obligations to be prepaid or redeemed.

ARTICLE IV

SECURITY; GROSS REVENUES PLEDGE; NEGATIVE PLEDGE AND PERMITTED ENCUMBRANCES

Section 401. Security for Obligations; Pledge of Gross Revenues.

(a) Security. All Obligations issued and outstanding under this Master Indenture are and shall be joint and several obligations of each Member of the Obligated Group, and are and shall be equally and ratably secured by this Master Indenture except to the extent specifically provided otherwise as permitted hereby. All Obligations issued and outstanding under this Master Indenture are and shall be equally and ratably secured by the pledge described below of Gross Revenues, except to the extent specifically provided otherwise as permitted by this Master Indenture. Any one or more series of Obligations issued hereunder may be secured by security (including without limitation letters or lines of credit, insurance or Liens on Property, including Property of the Obligated Group, or security interests in a depreciation reserve, debt service reserve or interest reserve or debt service or similar funds), so long as any Liens created in connection therewith or securing such Obligations constitute Permitted Encumbrances. Such security need not extend to any other Indebtedness (including any other Obligations or series of Obligations). Consequently, the Supplemental Master Indenture pursuant to which any one or more series of Obligations is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and VII hereof, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto.

(b) Pledge of Gross Revenues. In order to secure the prompt payment of all amounts due on all Obligations issued under this Master Indenture and the performance by the Members of the Obligated Group of their obligations under this Master Indenture and the Obligations, the Members of the Obligated Group hereby pledge and assign to the Master Trustee, and grant a security interest in, for the equal and ratable benefit of the holders from time to time of all of the Obligations, all of their Gross Revenues. The existence of such pledge, assignment and security interest shall not prevent the expenditure, deposit or

commingling of Gross Revenues by the Members of the Obligated Group or the System for any purpose so long as no Event of Default under Section 701(a) hereof has occurred and is continuing and all required payments with respect to the Obligations are made when due. Without limiting the generality of the foregoing, this security interest shall apply to all rights to receive Gross Revenues whether in the form of accounts, accounts receivable, contract rights or other rights, and to the proceeds of such rights. This security interest shall apply to all of the foregoing, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Members of the Obligated Group. The Members of the Obligated Group hereby represent that as of the date of the delivery hereof they have not granted any Lien on Gross Revenues prior to the security interest granted by this Section, except for the Liens on Gross Revenues, if any, constituting other Permitted Encumbrances.

(c) Security Agreement. This Master Indenture is intended to be a security agreement pursuant to the UCC or, if applicable, such other jurisdiction in which the Obligated Group granted such pledge of its Gross Revenue is located. In addition to all other rights and remedies hereunder, the Master Trustee, shall have all rights and remedies of a secured party under the UCC (or other applicable law). Each Member of the Obligated Group shall join with the Master Trustee in the execution and filing of all financing statements, continuation statements, modifications and other documents under the UCC or other applicable law as may be reasonably necessary from time to time to perfect or continue the perfection of the Lien granted hereunder and will pay the cost of filing the same in such public offices as the Master Trustee shall designate. The Obligated Group may execute such other instruments, intercreditor agreements and other agreements and take such other actions, including filing financing statements, continuation statements, modifications and other documents under the UCC or other applicable law as may be necessary or convenient from time to time to perfect or continue the perfection of the Lien on the Gross Revenues granted by each Member of the Obligated Group in connection with Obligations. The Members of the Obligated Group agree to execute and file, if and to the extent required by law, such financing statements covering the Gross Revenues from time to time and in such form as may be required to perfect and continue a security interest in the Gross Revenues, and to deliver file-stamped copies thereof to the Master Trustee. Notwithstanding anything to the contrary, the Master Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless a Responsible Officer of the Master Trustee shall have been notified in writing by the Combined Group Agent that any such initial filing or description of collateral was or has become defective, the Master Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Master Trustee shall file, in a timely manner, continuation statements with respect to such financing statements which list the Master Trustee as secured party. The Members of the Obligated Group shall pay all costs of filing such financing statements and continuation statements and any renewals thereof and shall pay all reasonable costs and expenses of any record searches and preparation fees for financing statements and continuation statements that may be required, including attorney's fees, costs and expenses, if any.

(d) Remedies of Secured Party. Notwithstanding anything to the contrary in this Master Indenture, upon and during the continuation of an Event of Default, the Master Trustee will have the remedies of a secured party under the UCC or other applicable law and, at its option, may also pursue the remedies permitted under applicable law as to such Gross Revenues. Without limiting the generality of the foregoing, upon and during the continuation of an Event of Default and upon notice to the Combined Group Agent, to the extent permitted by law, the Master Trustee may realize upon such lien by any one or more of the following actions: (i) take possession of the financial books and records of any Member of the Obligated Group relating to the Gross Revenues and of all checks or other orders for payment of money

and cash in the possession of the Obligated Group Member representing Gross Revenues or proceeds thereof; (ii) notify account debtors obligated on any Gross Revenues to make payment directly to the order of the Master Trustee; (iii) collect, compromise, settle, compound or extend Gross Revenues which are in the form of accounts receivable or contract rights from the Obligated Group Member's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Obligated Group Member, whether or not the full amount of any such account receivable or contract right owing shall be paid to the Master Trustee; (iv) require the Obligated Group Member to deposit all cash, money and checks or other orders for the payment of money which represent Gross Revenues within five Business Days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Master Trustee, provided, however, that the requirement to make such deposits shall cease, and the balance of such fund or account shall be paid to the Obligated Group Member, when all Events of Default of the type described in Section 701(a) have been cured; (v) forbid the Obligated Group Member to extend, compromise, compound or settle any accounts receivable or contract rights which represent Gross Revenues, or release, wholly or partly, any Person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; and (vi) endorse in the name of the Obligated Group Member any checks or other orders for the payment of money representing Gross Revenues or the proceeds thereof.

(e) Deposit of Gross Revenues. The Members of the Obligated Group hereby further covenant that if an Event of Default of the type described in Section 701(a) hereof shall occur and be continuing, any Gross Revenues then received and any Gross Revenues thereafter received, shall not be commingled or deposited but shall immediately, or upon receipt, be transferred by the Members of the Obligated Group on a daily basis to the Master Trustee and deposited into the Gross Revenues Account as provided below. Such daily deposits shall continue until such Event of Default described in the preceding sentence shall have been cured. Any such proceeds on deposit with the Master Trustee shall be disbursed by the Master Trustee pursuant to the provisions of Section 706 of this Master Indenture and as provided below.

The Master Trustee is hereby authorized and directed to establish a Gross Revenues Account, or accounts, into which there shall be deposited upon the occurrence and continuation of any Event of Default under Section 701(a) of this Master Indenture, upon receipt by the Master Trustee, any and all Gross Revenues of the Obligated Group. Upon the occurrence of an event that requires the funding of the Gross Revenues Account the Obligated Group hereby covenants to take all action necessary to insure that all such Gross Revenues are deposited into the Gross Revenues Account including, but not limited to, depositing directly all payments received and directing all debtors and payors of the Obligated Group to make all payments due to the Obligated Group Members into the Gross Revenues Account. The Gross Revenues Account shall become subject to the lien of this Master Indenture in favor of the holders of all Obligations. Amounts on deposit in such Account shall be transferred first to the payment of current Operating Expenses of the Members of the Obligated Group as may be directed in writing by the Combined Group Agent and in accordance with budgeted amounts proposed by the Combined Group Agent, and second to the payment of debt service on all Obligations due and past due and thereafter shall otherwise be transferred as may be directed in writing by the Combined Group Agent to and applied by the Obligated Group for its corporate purposes until the Master Trustee gives written notice to the Obligated Group of the acceleration of the Obligations and the exercise of remedies under the Master Indenture as a secured party and the Master Trustee enforces its rights and interests in and to the Gross Revenues Account and the amounts on deposit therein. Upon the giving of such written notice of acceleration and exercise of remedies, the Master Trustee is hereby authorized to take such self-help and other measures that a secured party is entitled to take under the UCC. Upon a cure or waiver of the Event of Default that requires the funding of the Gross Revenues Account, the Master Trustee shall transfer the amounts on deposit in the Gross Revenues Account to or at the written direction of the Combined Group Agent.

Section 402. Negative Pledge; Permitted Encumbrances.

(a) Each Member of the Obligated Group agrees that it will not create, assume or suffer to exist any Lien upon the Gross Revenues or the Property of the Obligated Group, except for Permitted Encumbrances.

(b) For purposes of this Master Indenture, “Permitted Encumbrances” means and includes the following:

(1) Any judgment Lien or notice of pending action against any Member of the Obligated Group so long as (A) such judgment or pending action is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed, (B) the judgment has been paid, (C) the judgment is covered by insurance or (D) in the absence of such a contest and stay, such judgment Lien, in the judgment of Combined Group Agent, will have no material adverse effect on the business, operation or general financial condition of Obligated Group or for the System (taken as a whole) and neither the pledge and security interest of this Master Indenture nor any property of Obligated Group or the System (taken as a whole) will be subject to material impairment, loss or forfeiture;

(2) (A) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law affecting any Property to (i) terminate such right, power, franchise, grant, license or permit (provided that the exercise of such a right would not materially and adversely affect the value thereof) or (ii) purchase, condemn, appropriate or recapture, or designate a purchaser of, such Property; (B) any liens on any Property for taxes, assessments, levies, fees, water and sewer charges and other governmental and similar charges, and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such Property, which are not due and payable or which are not delinquent, or the amount or validity of which, are being contested and execution thereon is stayed or, with respect to liens of mechanics, materialmen and laborers, have been due for less than 90 days; (C) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to any Property which do not materially impair the use of such Property or materially and adversely affect the value thereof; (D) rights reserved to or vested in any municipality or public authority to control or regulate any Property or to use such Property in any manner, which rights do not materially impair the use of such Property in any manner, or materially and adversely affect the value thereof; and (E) to the extent that it affects title to any Property, this Master Indenture;

(3) Liens arising by reason of good faith deposits with any Member of the Obligated Group in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member of the Obligated Group to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(4) Any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member of the Obligated Group to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements;

(5) Any Lien arising by reason of any irrevocable escrow established to pay debt service with respect to Indebtedness, provided the related Indebtedness is defeased and no longer outstanding;

(6) Any Lien in favor of a trustee, a similar creditor or its agent on the proceeds of Indebtedness prior to the application of such proceeds;

(7) Liens on moneys deposited by patients or others with any Member of the Obligated Group as security for or as prepayment for the cost of patient care, and any rights of residents of life care, elderly housing or similar facilities to entrance fees, endowment or similar funds deposited by or on behalf of such residents;

(8) Liens on Property received by any Member of the Obligated Group through gifts, grants or bequests; provided, that no such Lien (or the amount of Indebtedness secured thereby) may be increased or modified so as to apply to any Property of any Member of the Obligated Group not previously subject to such Lien unless such Lien following such increase or modification otherwise qualifies as a Permitted Encumbrance hereunder;

(9) Statutory rights of the United States of America by reason of federal funds made available under 42 U.S.C. Section 291 *et seq.* and similar rights under other federal and state statutes;

(10) Liens on funds established pursuant to the terms of any Supplemental Master Indenture or related document in favor of the Master Trustee, or the registered owner of the Indebtedness issued pursuant to such related Supplemental Master Indenture or related document and permitted by this Master Indenture;

(11) Liens constituting reservations contained in patents granted by the United States of America or any state thereof;

(12) Liens constituting rights of third-party payors to recoup excess reimbursement to any Member of the Obligated Group;

(13) Liens granted to insurance companies on the proceeds of insurance policies (provided that such lien shall secure an amount not exceeding the premium owed to any such insurance company by a Member of the Obligated Group);

(14) Liens required by any federal, state or local government as a condition to its making a grant or loan (except loans made solely from the proceeds derived from the sale of a series of Related Bonds) to, or its guaranteeing or insuring part or all of Indebtedness of, a Member of the Obligated Group, but only if such Lien is limited to Property the acquisition of which has not been financed, directly or indirectly, with proceeds of a series of Related Bonds;

(15) Statutory rights of landlords with respect to the personal property of a Member of the Obligated Group that are its tenants;

(16) Liens which are existing on the date of execution hereof or existing on the date any Person becomes a Member of the Obligated Group, provided that no such Lien (or the amount of an Obligation secured thereby) may be increased, modified or renewed (which terms shall not apply to the filing of any continuation statements under the UCC) to apply to any Property of any Member of the Obligated Group not subject to such Lien on such date, unless

such Lien following such increase, modification or renewal or otherwise qualifies as a Permitted Encumbrance hereunder;

(17) Liens on Property of a Person at the time such Person engages in a merger, consolidation, sale or conveyance pursuant to Section 608; provided that no such lien (or the amount of an Obligation secured thereby) may be increased, modified or renewed (which terms shall not apply to the filing of any continuation statements under the UCC or applicable laws) to apply to any Property of any Member of the Obligated Group not subject to such Lien on such date, unless such Lien following such increase, modification or renewal or otherwise qualifies as a Permitted Encumbrance hereunder;

(18) Liens granted by a Member of the Obligated Group to another Member of the Obligated Group;

(19) Any lease which, in the judgment of Combined Group Agent as set forth in a Certificate of Combined Group Agent, is reasonably necessary or appropriate for or incidental to the proper and economical operation of the business, operations or property of a Member of the Obligated Group, taking into account the nature and terms of the lease and the nature and purpose of the property subject thereto;

(20) Utility, access and other easements, rights-of-way, restrictions and other minor defects, encumbrances, agreements for the joint or common use of property, and irregularities in the title to any property which do not materially impair the use of such property for its intended purpose or materially and adversely affect the value thereof;

(21) Liens on the Gross Revenues of the Obligated Group given to secure their obligations with respect to the Existing Swaps;

(22) Any subordinated Lien on the Gross Revenues given as security for obligations with respect to Subordinated Obligations or Subordinated Swap Payments, in each case given in accordance with the provisions hereof;

(23) Liens in the nature of purchase money security interests securing Indebtedness or Non-Recourse Indebtedness incurred in accordance with the provisions of this Master Indenture for the purpose of financing the purchase price or the cost of constructing any Operating Assets subject to such Liens and not secured by any other Property of the Obligated Group;

(24) Liens on money or securities owned by a Member of the Obligated Group that are posted as collateral to a Swap Counterparty required under a collateral support agreement or similar agreement executed in connection with a Swap, in accordance with Section 6.12(d) hereof;

(25) Liens on Excluded Property;

(26) (a) any Lien on Property if such Lien equally and ratably secures all of the Obligations and, if the Combined Group Agent shall so determine, any other Indebtedness or obligation of any Member of the Obligated Group and (B) the Lien on Gross Revenues pledged pursuant to Section 301 hereof; and

(27) Rights of setoff granted to banks or other financial institutions with respect to funds on deposit in the ordinary course of business.

(c) Any Lien in or on the Property and/or the Gross Revenues granted pursuant to Section 401 shall be terminated if (i) the Obligated Group delivers to the Master Trustee a Certificate of Combined Group Agent to the effect that the Obligation in respect of which the Lien was granted no longer is outstanding and (ii) the Master Trustee or the holder of such Obligation provides written confirmation that such Obligation has been paid in full (or provision thereafter has been made). Upon receipt of such Certificate of the Combined Group Agent and confirmation from the Master Trustee or such holder, the Master Trustee agrees to execute such documents and take such steps as may be reasonably required in order to evidence the termination of such Lien.

ARTICLE V ADDITIONAL OBLIGATIONS

Section 501. Additional Indebtedness.

(a) General. The Obligated Group may not incur additional Indebtedness (whether through the creation of new Indebtedness, the assumption of existing Indebtedness or the guaranteeing of any new or existing Indebtedness) unless the Master Trustee first receives:

(i) a Certified Resolution of the Combined Group Agent, and, if applicable, of any other Members of the Obligated Group, approving the incurrence of the Indebtedness and the purpose thereof; and

(ii) a Certificate of the Combined Group Agent stating that, (A) the proceeds of the Indebtedness, together with other available moneys, is expected to be sufficient for completion of the project in respect of which the Indebtedness is being incurred, and (B) immediately following the incurrence of the Indebtedness and the application of the proceeds thereof, the Obligated Group will not be in default in the performance or observance of any covenant or condition to be performed by it hereunder and no Event of Default under this Master Indenture shall exist.

(b) Long Term Indebtedness. Except as provided in subsection (e) below, the Obligated Group may not incur additional Long Term Indebtedness (whether through the creation of new Indebtedness, the assumption of existing Indebtedness or the guaranteeing of any new or existing Indebtedness) unless the Master Trustee first receives:

(i) the items specified in Section 501(a); and

(ii) a Certificate of the Combined Group Agent demonstrating that either: (1) immediately following the incurrence of the Long Term Indebtedness and the application of the proceeds thereof, the Liquid Unrestricted Net Assets will be at least equal to 50% of the principal amount of all Long Term Indebtedness to be Outstanding; or (2) the Net Revenues for the preceding Fiscal Year (assuming that the Long Term Indebtedness in question was incurred on the last day of such Fiscal Year in question and the proceeds of such Long Term Indebtedness were applied on the last day of such Fiscal Year in question), will be equal to at least 110% of the Maximum Annual Debt Service Requirements on all Outstanding Long Term Indebtedness for such testing period; and

(iii) a Certificate of the Combined Group Agent demonstrating that immediately following the incurrence of the Long Term Indebtedness and the application of the proceeds thereof, the Maximum Annual Debt Service Requirements on all outstanding Long Term Indebtedness will not exceed an amount equal to 10% of the Total Unrestricted Expenses.

(c) Short Term Indebtedness. The Obligated Group may not incur additional Short Term Indebtedness (whether through the creation of new Indebtedness, the assumption of existing Indebtedness or the guaranteeing of any new or existing Indebtedness) unless the Master Trustee first receives:

(iii) the items specified in Section 501(a); and

(iv) a Certificate of the Combined Group Agent demonstrating that either: (i) immediately following the incurrence of the Short Term Indebtedness and the application of the proceeds thereof, the aggregate outstanding principal amount of all such Short Term Indebtedness of the Obligated Group as of such date, does not exceed 20% of the Total Unrestricted Revenues, as set forth in the most recent audited Financial Statements of the System, or (ii) such Short Term Indebtedness could be incurred if it were treated as Long Term Indebtedness incurred in accordance with Section 501(b)(ii) and (iii) above.

(d) Notwithstanding the provisions of subsection (b) above, the Obligated Group may incur additional Long Term Indebtedness in accordance with the provisions set forth below.

(v) Completion Indebtedness. Indebtedness may be incurred without satisfying the provisions of Section 501(b)(ii) and (iii) for the purpose of financing the completion of constructing, renovating, or equipping Operating Assets for which Long Term Indebtedness has theretofore been incurred in accordance with the provisions hereof, if: (A) the items in Section 501(a) are delivered to the Master Trustee; and (B) a Certificate of the Combined Group Agent is delivered to the Master Trustee stating that the amount of such Indebtedness does not exceed the amount (including reserve funds and capitalized interest) necessary to provide a completed and equipped facility of the type and scope contemplated at the time that such other Indebtedness was originally incurred and that such other Indebtedness was estimated when incurred to be sufficient to provide such a completed and equipped facility.

(vi) Refunding Debt. Indebtedness ("Refunding Debt") may be incurred without satisfying the provisions of Section 501(b)(ii) and (iii) above to refund or defease any Indebtedness if: (A) the items in Section 501(a) are delivered to the Master Trustee; and (B) a Certificate of the Combined Group Agent is delivered to the Master Trustee certifying that the Refunding Debt is in the best interest of the Obligated Group or the System.

(vii) Basket. Indebtedness may be incurred without satisfying the provisions of Section 501(b)(ii) and (iii) above if: (A) the items in Section 501(a) are delivered to the Master Trustee; and (B) a Certificate of the Combined Group Agent is delivered to the Master Trustee demonstrating that the principal amount of such Indebtedness to be incurred and Outstanding pursuant to this clause (iii), together with the principal amount of all other Indebtedness incurred and Outstanding pursuant to this clause (iii) since the Obligated Group incurred Long Term Indebtedness that satisfied the provisions of Section 501(b)(ii) and (iii) above does not exceed 5% of the Net Assets of the System for the preceding Fiscal Year end.

(viii) In Connection with Becoming an Obligated Group Member. For the avoidance of doubt, in connection with a Person becoming a Member of the Obligated Group, any Indebtedness of such Person may be secured by the issuance pursuant to Article II hereunder by an amendment and restatement of the Outstanding Indebtedness of such Person or the substitution of, or other change to, such Person's Outstanding Indebtedness or the evidence of and/or security therefor so long as the Indebtedness in question could be incurred in accordance with the other provisions hereof.

(ix) Subordinated Indebtedness and Non-Recourse Indebtedness. The Obligated Group may incur Subordinated Indebtedness and Non-Recourse Indebtedness without limitation as to principal amount and shall not be required to comply with the requirements of Section 501(a) or 501(b) in connection with such incurrence. Any Subordinated Indebtedness may be secured by Liens, provided that a Lien of superior rank and priority shall be granted in favor of all Parity Indebtedness then or thereafter to be outstanding. Non-Recourse Indebtedness may be secured by Liens on: (i) any real Property, fixtures and tangible personal Property acquired or improved with the proceeds of the Non-Recourse Indebtedness and any improvements to such Property; (ii) revenues derived from the ownership or operation of the Property described in clause (i); and (iii) restricted gifts, grants and other similar contributions, pledges of the foregoing and income derived from the investment thereof.

(e) No Duplication for Loan Commitments. Nothing in this Section or otherwise shall be construed to count Indebtedness more than once and Indebtedness consisting of obligations pursuant to a Loan Commitment shall be counted as Indebtedness only to the extent the reimbursement obligation on obligations drawn or, in the reasonable judgment of the Combined Group Agent, likely to be drawn on the Loan Commitment exceeds the obligation of the Indebtedness for which such Loan Commitment is provided.

Section 502. Additional Provisions Concerning Certain Forms of Obligations. For the purposes of this Master Indenture, the Debt Service Requirements on, and the principal amount of, any Balloon Indebtedness, Variable Rate Indebtedness, Demand Obligations or any Long Term Indebtedness in the form of a Guarantee shall be determined as follows:

(a) Balloon Indebtedness. There shall be taken into account for the period under consideration in determining the Debt Service Requirements with respect to any Balloon Indebtedness an amount calculated using the following assumptions: the principal and interest payable in any Fiscal Year will be measured as if the Balloon Indebtedness were payable in level annual Debt Service Requirements that would be required to retire such Balloon Indebtedness over (i) the Stated Maturity of such Indebtedness at a rate of interest equal to (a) the actual rate of interest on such Indebtedness, or (b) that derived from the Bond Index, (ii) thirty (30) years from the date of such calculation at a rate of interest equal to (a) the actual rate of interest on such Indebtedness, or (b) that derived from the Bond Index and in each case with level annual debt service on such Indebtedness or level annual aggregate debt service taking into consideration debt service on all other Outstanding Long-Term Indebtedness, or (iii) the Stated Maturity of such Indebtedness at a rate of interest equal to (a) the actual rate of interest on such Indebtedness, or (b) that derived from the Bond Index and in each case with level annual debt service on such Indebtedness or level annual aggregate debt service taking into consideration debt service on all other Outstanding Long-Term Indebtedness.

(b) Variable Rate Indebtedness. The Debt Service Requirements on Long Term Indebtedness in the form of Variable Rate Indebtedness shall be determined as follows:

(i) For the purpose of determining whether the Variable Rate Indebtedness may be incurred pursuant to Section 501 hereof, the Debt Service Requirements thereon shall be deemed to include interest borne at the Bond Index.

(ii) For the purpose of any other required calculation of the Debt Service Requirements on any outstanding Variable Rate Indebtedness, such Indebtedness shall be deemed to bear interest at the Bond Index.

(c) Demand Obligations. Debt Service Requirements on Long Term Indebtedness in the form of Demand Obligations shall be determined in the same manner as provided in subsection (a) above with respect to Balloon Indebtedness.

(d) Calculating Debt Service Requirements With Swaps. If a Swap is entered into with respect to any Indebtedness, the interest on such Indebtedness shall be calculated as follows:

(iii) when calculating interest payable for any Variable Rate Indebtedness for which a Swap is in effect, pursuant to which a Member has agreed to pay a fixed rate of interest and the Swap Counterparty has agreed to pay a variable rate of interest (which rate an Combined Group Agent Certificate has certified approximates or is intended to approximate the variable rate payable on such Variable Rate Indebtedness), such Variable Rate Indebtedness shall be deemed to bear interest at the fixed rate provided in such Swap; provided that such fixed rate may be utilized for such period as such Swap is contracted to remain in full force and effect.

(iv) when calculating interest payable on any Indebtedness which is issued with a fixed interest rate and with respect to which a Swap is in effect pursuant to which a Member has agreed to pay a variable rate of interest and the Swap Counterparty has agreed to pay a fixed rate of interest (which rate an Combined Group Agent Certificate has certified approximates or is intended to approximate the fixed rate payable on such Indebtedness), such Indebtedness shall be deemed to bear interest at a variable rate for such period as such Swap is contracted to remain in full force and effect and shall be calculated in accordance with subsection (b).

(e) Guarantees. The Debt Service Requirements in any Fiscal Year on any Guarantee shall be deemed equal to 0% of the debt service requirements on the guaranteed obligation, if a Member of the Obligated Group has not been called upon to make a payment under the Guarantee within the 12 months immediately preceding the date of the calculation, if there shall have occurred a payment by any Member of the Obligated Group on such Guarantee, then during the period commencing on the date of such payment and ending on the day that is one year after such other Person resumes making all payments on such guaranteed obligation, 100% of the amount payable for principal and interest on such guaranteed Indebtedness during the period for which the computation is being made shall be taken into account. For purposes of this subsection (e), the principal payments due in respect of any guaranteed obligation in the nature of Balloon Indebtedness or Demand Obligations shall be calculated in the same manner as specified in subsection (a) or (c) above.

Section 503. Subordinated Obligations.

(a) The Obligated Group may not incur Subordinated Obligations except as provided herein.

(b) The documents pursuant to which any Subordinated Obligations are incurred shall provide, among other things, that so long as any Obligations remain unsatisfied:

(i) the maturity of the Subordinated Obligations (other than Swap Termination Payments) may not be accelerated unless the maturity of the Obligations has been accelerated;

(ii) if an acceleration of the Obligations has been rescinded or annulled, then any acceleration of the Subordinated Obligations (other than Swap Termination Payments) automatically shall be rescinded or annulled;

(iii) all payments in respect of any Subordinated Obligations shall be made by the Master Trustee solely from moneys available after all regular payments due or coming due

through the next regularly scheduled interest payment date in respect of the Related Bonds or any Parity Obligations shall have been made or provided for;

(iv) any amendment to this Master Indenture made by the holders in accordance with the provisions hereof shall be automatically binding upon the holders of any Subordinated Obligations (other than an amendment that would extend the fixed maturity of any Subordinated Obligations or reduce the rate of interest thereon or extend the time of payment of interest or reduce the amount of principal thereof or reduce any premium payable on the redemption thereof);

(v) upon the occurrence of any event of default with respect to any Subordinated Obligation, the holders of any Subordinated Obligations (or the trustee on their behalf) may not exercise any remedies hereunder except with the consent of the holders of a majority of the Obligations; and

(c) The Obligated Group may not incur any Subordinated Obligations unless there shall have been delivered to the Master Trustee, with respect to such Subordinated Obligations: (i) the materials that would be required to be delivered to the Master Trustee in connection with the incurrence of Indebtedness pursuant to Section 501(a) hereof, (ii) a copy of any Subordinated Obligations Agreement for such Subordinated Obligations; and (iii) a schedule setting forth the Debt Service Requirements on the Subordinated Obligations, the dates on which scheduled Debt Service Requirements on the Subordinated Obligations are due, and the amounts due on each such date.

(d) The Master Trustee is authorized to execute and deliver such agreements and instruments and take such other actions, including filing financing statements, continuation statements, modifications and other documents under the UCC or other applicable law, agreements, intercreditor agreements, financing statements and other materials in connection with the issuance of Subordinated Obligations as may be necessary or convenient to evidence that such Subordinated Obligations are secured by a Lien on and security interest in the Gross Revenues of any Obligated Group Member subordinate to the lien and security interest granted herein. Notwithstanding the foregoing, the agreements executed in connection with the issuance of Subordinated Obligations may provide that such Subordinated Obligations may be further secured by a separate debt service fund and debt service reserve fund, held solely for the benefit of the holders of the Subordinated Obligations secured thereby.

Section 504. Swaps.

(a) The Obligated Group may not enter into any Swaps unless the Combined Group Agent first delivers the following to the Master Trustee (as necessary):

(i) the items specified in Section 501(a), treating the entry into the Swap in question as if it were the incurrence of Indebtedness;

(ii) the Swap Agreement related to such Swap, which by its terms (i) shall be limited as described by the provisions of Sections 503 hereof and (ii) if the obligations of the Member will be Obligations secured hereunder, must provide that any Swap Termination Payment due thereunder will be treated as a Subordinated Obligation incurred pursuant to Section 503 hereof, provided, however, that notwithstanding anything in Section 503 or this Section 504 to the contrary, the provisions of Section 503(b)(i) and (b)(ii) hereof with respect to limits on the ability of holders of Subordinated Obligations to exercise certain remedies shall not apply to Swap Termination Payments;

(iii) a Certificate of the Combined Group Agent stating whether the Member is required under the terms of the Swap Agreement to post collateral to the Swap Counterparty.

(b) Other Agreements. To the extent permitted by law, the Master Trustee is authorized to execute and deliver such other agreements, intercreditor agreements, financing agreements, security agreements, instruments and other materials and take such other actions in connection with the execution and delivery of Swap Agreements as may be necessary or convenient to evidence that such Swap Agreements are secured by a Lien on the Gross Revenues, but only to the extent permitted hereunder.

Section 505. Assumed Level Debt Service. Notwithstanding anything in this Master Indenture to the contrary, for purposes of the computation of Debt Service Requirements and if applied to all of the Outstanding Long-Term Indebtedness of any Person or Persons, it may be assumed that (i) the principal balance of such Long-Term Indebtedness (after adjustment as provided in Section 502(e) of this Master Indenture) will be refinanced on the date of such calculation, (ii) such principal balance will be payable over the Assumed Term from the date of such calculation, (iii) such principal balance will bear interest at the Bond Index from the date of such calculation, and (iv) the principal, interest and other debt service charges on such Long-Term Indebtedness will be payable in equal annual installments (level debt service) sufficient to pay the principal of and interest and other debt service charges over the Assumed Term.

ARTICLE VI

GENERAL COVENANTS

Section 601. Payment of Principal, Premium, if any, and Interest and Other Amounts; Designated Affiliates.

(a) Each Member of the Obligated Group unconditionally and irrevocably (subject to the right of such Member of the Obligated Group to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 604 hereof), jointly and severally covenants that it will promptly pay the principal of, premium, if any, and interest on, and all other amounts due under, every Obligation issued under this Master Indenture and any other payments, including the purchase price of Related Bonds tendered or deemed tendered for purchase pursuant to the terms of a Related Bond Indenture or Related Loan Document required by the terms of such Obligations, at the place, on the dates and in the manner provided herein and in said Obligations according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Obligations set forth herein or in the Obligations, each Member of the Obligated Group unconditionally and irrevocably (subject to the right of such Member of the Obligated Group to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 604 hereof), jointly and severally agrees to make payments upon each Obligation and be liable therefor at the times and in the amounts (including principal, interest and premium, if any, and all other amounts due thereunder) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time outstanding and upon any other financial obligations evidenced or secured by an Obligation. If any Member of the Obligated Group does not tender payment of any installment of principal, premium or interest on, or any other amounts due under, any Obligation when due and payable and such payment was to have been made to the Master Trustee, the Master Trustee shall provide prompt written notice of such nonpayment to such Member of the Obligated Group and the Combined Group Agent.

(b) The Combined Group Agent shall cause each Controlling Member to cause each of its Designated Affiliates (subject to legal, regulatory, contractual and organizational limitations) to pay, loan

or otherwise transfer, in accordance with Section 202 hereof, such amounts as are necessary to duly and punctually pay the principal of, premium, if any, and interest on all Outstanding Obligations and any other payments due under any Obligation, including the purchase price of Related Bonds tendered for purchase pursuant to the terms of a Related Bond Indenture or Related Loan Document, required by the terms of such Obligations, on the dates, at the times and at the places and in the manner provided in such Obligations, the applicable Supplemental Indenture and this Master Indenture, when and as the same become payable, whether at maturity, upon call for redemption, by acceleration of maturity or otherwise.

(c) The Combined Group Agent shall at all times maintain an accurate and complete list of all Persons that are Members of the Obligated Group and Designated Affiliates. Any Person may be designated by the Combined Group Agent as a Designated Affiliate hereunder in addition to those Designated Affiliates, if any, initially designated on Exhibit B, by the delivery to the Master Trustee of a Certificate of the Combined Group Agent, attaching thereto a substitute Exhibit B to be appended to this Master Indenture. A Certificate of the Combined Group Agent delivered to the Master Trustee shall designate any Member of the Obligated Group as the Controlling Member of any such additional Designated Affiliate. With respect to each such Person, and so long as such Person is designated as a Designated Affiliate, the Member of the Obligated Group designated by the Combined Group Agent as the Controlling Member, shall either (i) maintain, directly or indirectly, control of each Designated Affiliate, including the power to direct the management, policies, disposition of assets and actions of such Designated Affiliate to the extent required to cause such Designated Affiliate to comply with the terms and conditions of this Master Indenture, whether through the ownership of voting securities, by contract, partnership interests, membership, reserved powers, or the power to appoint members, trustees or directors or otherwise, or (ii) to the extent required, execute and have in effect such contracts or other agreements that the Combined Group Agent or Controlling Member, in its sole judgment, deems sufficient for it to cause such Designated Affiliate to comply with the terms and conditions of this Master Indenture. Any Person will cease to be a Designated Affiliate upon the declaration of the Combined Group Agent in a Certificate of the Combined Group Agent delivered to the Master Trustee, and upon such declaration, such Person shall no longer be subject to any of the covenants applicable to a Designated Affiliate hereunder. Notwithstanding anything to the contrary herein, no Person shall cease to be a Designated Affiliate if any Outstanding Related Bonds have been issued for the benefit of such Person until there is delivered to the Master Trustee an opinion of Bond Counsel to the effect that, under then existing law, the cessation by such Person of its status as a Designated Affiliate will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Related Bond would otherwise be entitled.

(d) The Combined Group Agent covenants that it will cause each Controlling Member to cause each of its Designated Affiliates to comply with the terms and conditions of this Master Indenture which are applicable to such Designated Affiliate, and of the Related Loan Document, if any, to which such Designated Affiliate is a party.

Section 602. Performance of Covenants. The Combined Group Agent shall cause each Member of the Combined Group to faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Master Indenture and in each and every Obligation executed, authenticated and delivered hereunder and to perform all covenants and requirements imposed on the Combined Group Agent or such Member of the Combined Group under the terms of any Related Bond Indenture and Related Loan Agreement.

Section 603. Reserved.

Section 604. Financial Statements.

(a) The Combined Group Agent covenants to, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to covenant to, at all times keep books of record and account in accordance with Generally Accepted Accounting Principles.

(b) The Combined Group Agent shall permit, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to permit, its financial statements for each Fiscal Year to be audited by a Certified Public Accountant. Such financial statements shall be prepared on a consolidated basis to include the results of operations of all Persons required to be consolidated into the Financial Statements of the System in accordance with Generally Accepted Accounting Principles. Such financial statements and the Certified Public Accountant's report or reports thereon shall be furnished to the Master Trustee within 180 days after the end of the Fiscal Year to which they relate.

(c) The financial statements delivered pursuant to Section 604(b) shall be accompanied by a Certificate of the Combined Group Agent stating that such financial statements have been prepared in accordance with Generally Accepted Accounting Principles (except, where applicable, required consolidations or combinations).

(d) The Master Trustee shall have no duty to review any financial statement delivered to it pursuant to this Master Indenture and does not have a duty to verify the accuracy of such financial statements. In addition, the Master Trustee shall not be considered to have notice of the contents of such financial statements or of a default or Event of Default hereunder based on such contents.

Section 605. General Covenants; Right of Contest. The Combined Group Agent covenants to, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to covenant to:

(a) Except as otherwise expressly provided herein (i) preserve its corporate or other separate legal existence, (ii) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs as then conducted and (iii) be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; provided, however, that nothing contained in this Master Indenture shall be construed to obligate such Member of the Obligated Group or Designated Affiliate to retain, preserve or keep in effect the rights, licenses or qualifications no longer used or useful in the conduct of its business.

(b) In the case of any Person that is a Tax-Exempt Organization at the time it becomes a Member of the Obligated Group or Designated Affiliate, so long as this Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or provision for such payment has not been made, to take no action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status as a Tax-Exempt Organization, which could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, which is otherwise exempt from federal or state income taxation, becoming subject to such taxation.

(c) At its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court and the officers thereof which may be applicable to it or any of its affairs, business, operations and Property, any part thereof, any of the streets, alleys, passageways, sidewalks, curbs, gutters, vaults and vault spaces adjoining any of its Property or any part

thereof or to the use or manner of use, occupancy or condition of any of its Property or any part thereof, if the failure to so comply would have a materially adverse effect on the operations or financial affairs of the Obligated Group, taken as a whole.

The foregoing notwithstanding, a Member of the Obligated Group or Designated Affiliate which owns, occupies, or otherwise uses facilities which have been financed or refinanced from the proceeds of any Related Bonds may not (i) cease to be a not for profit corporation or (ii) take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization unless prior thereto there is delivered to the Master Trustee an opinion of Bond Counsel to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption or adversely affect the enforceability in accordance with its terms of this Master Indenture against any Person.

No Member of the Obligated Group or Designated Affiliate shall be required to remove any Lien required to be removed under Section 402, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than any Obligations), demands and claims against it or to comply with any Lien prohibited by Section 402(b), or with any law, ordinance, rule, order, decree, decision, regulation or requirement referred to in Section 402(b), so long as such Member of the Obligated Group or Designated Affiliate shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the obligation, Indebtedness, demand, claim or Lien so contested, and the sale, forfeiture, or loss of its Property or any part thereof, provided, that no such contest shall subject any Related Bond Issuer, any Obligation holder or the Master Trustee to the risk of any liability. While any such matters are pending, such Member of the Obligated Group or Designated Affiliate shall not be required to pay, remove or cause to be discharged the obligation, Indebtedness, demand, claim or Lien being contested unless such Member agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member of the Obligated Group or Designated Affiliate engaging in such a contest to settle such contest), and in any event the Member of the Obligated Group or Designated Affiliate will save any Related Bond Issuer, all Obligation holders and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees, costs and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith.

Section 606. Inspection of Facilities. Upon reasonable prior notice, the Obligated Group will permit the Master Trustee and any duly authorized agent of the Master Trustee at all reasonable times and at such reasonable intervals so as not to interfere with the operation of the Obligated Group to enter upon, examine and inspect the Property.

Section 607. Compliance With Laws. Except as otherwise provided in Section 610 hereof, the Combined Group Agent shall, and shall cause each Obligated Group Member, throughout the term of this Master Indenture, to promptly comply in all material respects or cause compliance in all material respects with all laws, ordinances, orders, rules, regulations and requirements of any Regulatory Body that may be applicable to the any Obligated Group Member or to the repair and alteration, or to the use or manner of use of the Property of TJU or any other Obligated Group Member.

Section 608. Permitted Reorganizations. Any Member of the Combined Group may merge or consolidate into or transfer all or substantially all of its assets to any other Member of the Combined Group without limitation. The Combined Group Agent covenants that, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to

covenant that, during the term of this Master Indenture it will not consolidate with, transfer all or substantially all of its assets, or merge into any other Person that is not a Member of the Combined Group, unless the conditions set forth below are satisfied:

(a) In the event that the successor corporation or other legal entity is not the Combined Group Member, then any successor corporation or other legal entity to such Member of the Combined Group (including without limitation any purchaser of all or substantially all the Property of such Member of the Combined Group) is a corporation or other legal entity organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the express written agreement of such successor corporation or other legal entity to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on, and any other amounts due under, all Obligations according to their tenor (if required as provided in Sections 202 and 601(b) hereof) and the due and punctual performance and full and faithful observance of all the covenants and conditions of this Master Indenture to be kept and performed by such Member of the Combined Group.

(b) Immediately after such merger or consolidation, or such sale or conveyance, no Member of the Combined Group would be in default in the performance or observance of any duties covenants or conditions of any Related Loan Document or this Master Indenture.

(c) If all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, there shall be delivered to the Master Trustee (i) an opinion or opinions of Bond Counsel to the effect that under then existing law, the merger, consolidation or transfer shall not adversely affect the validity of any Related Bonds then Outstanding or any exemption from federal income taxation of interest payable on any Tax-Exempt Bonds; (ii) if the Member of the Combined Group which is the subject of the merger or consolidation is not the successor or transferee, an Opinion of Counsel to the effect that under then existing law the merger, consolidation or transfer shall not cause any of the Related Bonds to become subject to registration under the Securities Act of 1933 (or that such registration, if required, has been made).

(d) The Combined Group Agent shall have consented to such transaction.

(e) The Combined Group Agent delivers to the Master Trustee a Certificate which demonstrates that, after giving effect to the merger, consolidation or transfer, the successor or transferee and the Combined Group would meet the conditions described in Section 501(b)(ii) and (iii) hereof for the incurrence of one dollar of additional Long Term Indebtedness. The foregoing calculation may take into account the provisions of Section 102(e) hereof.

(f) The Master Trustee receives an Opinion of Counsel to the effect that after giving effect to the merger, consolidation or transfer, this Master Indenture is enforceable in accordance with its terms, except to the extent to which enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws or equitable principles affecting creditors' rights generally.

(g) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(h) The Master Trustee may conclusively rely upon an Opinion of Counsel to the effect that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Section and that it is proper for the Master Trustee under the provisions of Article VII

and of this Section to join in the execution of any instrument required to be executed and delivered by this Section.

(i) Except as may be expressly provided in any Supplemental Master Indenture, the ability of any Affiliate that is not a Member of the Combined Group to merge into, or consolidate with, one or more corporations, or allow one or more corporations to merge into it, or sell or convey all or substantively all of its Property to any Person is not limited by the provisions of this Master Indenture. Notwithstanding anything to the contrary herein, no Affiliate shall engage in any merger or consolidation or disposition of substantially all of its assets if any Outstanding Related Bonds have been issued for the benefit of such Affiliate until there is delivered to the Master Trustee an opinion of Bond Counsel to the effect that, under then existing law, such action will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Related Bond would otherwise be entitled.

Section 609. Taxes, Charges and Assessments. The Combined Group Agent covenants to, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to covenant to, subject to the provisions of Section 610 hereof, pay or cause to be paid (before the same shall become delinquent):

(a) all taxes and charges on account of the use, occupancy or operation of Property, or the income therefrom, including, but not limited to, all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric light, power or other utility charges assessed or charged on or against the Property of a Member of the Combined Group or on account of a Member of the Combined Group's use or occupancy thereof or the activities conducted thereon or therein; and

(b) all taxes, assessments and impositions, general and special, ordinary and extraordinary, of every name and kind, which shall be taxed, levied, imposed or assessed during the term of this Master Indenture upon all or any part of the Property, or the interest of any Member of the Combined Group in and to the Property, or upon the interest of any Member of the Combined Group or the Master Trustee, in this Master Indenture and the amounts payable hereunder.

If under applicable law any such tax, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, each Member of the Combined Group may exercise such option.

As between the parties hereto, the Combined Group shall have the duty, of making and filing all statements or reports which may be required under applicable law in connection with any such tax, charge, fee, rate, imposition or assessment, and the Master Trustee agrees promptly to forward to the Combined Group Agent any and all notices of or bills in connection with any such charge, fee, rate, imposition or assessment.

Nothing contained herein shall be deemed to constitute an admission by any of the Members of the Combined Group, to any third party that any of the Members of the Combined Group is liable for any tax, charge, fee, rate, imposition or assessment.

Section 610. Permitted Contests. A Member of the Combined Group shall not be required to pay any tax, charge, assessment or imposition referred to in Section 609 hereof, nor to comply with any law, ordinance, rule, order, regulation or requirement referred to in Section 607 hereof, so long as the Combined Group Agent shall contest, in good faith and at its cost and expense, in its own name and behalf or in the name and behalf of the Member of the Combined Group, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof

to prevent the collection of or other realization upon the tax, assessment, levy, fee, rent or charge so contested; provided that if such contest shall subject the Master Trustee to the risk of any liability, then, unless the Master Trustee receives an Opinion of Counsel to the effect that the applicable Member's title to or operation of the Operating Assets will not be materially impaired or subject to material loss or forfeiture, the Combined Group Agent shall deposit with the Master Trustee a surety bond or funds for the benefit of the Master Trustee, to be held in escrow covering the contested amount. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the Members of the Combined Group to settle any such contest), and in any event the Members of the Combined Group will indemnify and save harmless the Master Trustee against all losses, judgments, decrees and costs (including attorneys' fees and expenses) in connection therewith.

Section 611. Reserved.

Section 612. Limitation of Certain Dispositions. The Obligated Group may not sell, lease or otherwise dispose of any portion of the Property (other than Excluded Property) except as set forth herein:

(a) The Obligated Group may not sell or otherwise dispose of, including any disposition by lease, any of the Operating Assets except for dispositions or transfers of Operating Assets: (i) that are obsolete or worn out, unprofitable or no longer necessary for the operation of its business; (ii) replaced by Operating Assets of similar type or of substantially equivalent function and value, which replacements shall be deemed to be incorporated immediately into and constitute an integral part of the Property, and be subject to the terms hereof; (iii) constituting leases in the ordinary course of business that are Permitted Encumbrances; and (iv) leases of real property by any of the Members of the Obligated Group, as lessor, in effect on February 1, 2021 (or if later, the date on which such Person becomes a Member) with Affiliates of any of the Combined Group Members, with commercial entities (e.g., a lease with a coffee shop) in insubstantial portions in the aggregate of the Property, and with physicians or providers of medical services.

(b) Notwithstanding the foregoing, any Person that is a part of the System may permit the rendering of services or the use of its Property without charge or at reduced charges, at the discretion of the governing body of the Combined Group Agent or the System to the extent necessary for maintaining its tax-exempt status and its eligibility for grants, loans, subsidies or payments from governmental entities, or in compliance with any recommendation for free services that may be made by an Independent Consultant or as a result of Industry Restrictions.

(c) **Other Transfers.** A Member of the Obligated Group may transfer or convey its Property in accordance with the following:

(i) **Fair Market Value:** transfer or convey its Property without limit so long as the conveyance or transfer in question is, in the reasonable judgment of the Combined Group Agent, for Fair Market Value.

(ii) **Intercompany:** the conveyance or transfer shall be to a Combined Group Member.

(iii) **Other Transfers; Limitation.** the Book Value of the Property (which, for the avoidance of doubt, includes all Operating Assets and other assets, but not Excluded Property) being transferred pursuant to this clause (iii) and not otherwise permitted to be transferred pursuant to this Section 612 does not exceed 7% of the Liquid Unrestricted Net Assets for the preceding Fiscal Year.

(d) Swaps. A Member of the Obligated Group may transfer cash and securities from time to time to be posted as collateral to a Swap Counterparty if required under any collateral support agreement executed in connection with a Swap Agreement; provided, however, that the aggregate amount of such transfers shall be limited to an amount, after giving effect to such transfers, that would meet the conditions described in Section 501(b)(ii) and (iii) hereof for the incurrence of one dollar of additional Long Term Indebtedness. For the avoidance of doubt, any amounts included in calculations performed in accordance with Section 501(b)(ii) and (iii) hereof shall include any Indebtedness outstanding under Section 501(d) hereof. For purposes of this Section 612(d), the certificate delivery requirements described in Section 501(b)(ii) and (iii) hereof shall be satisfied upon the delivery of an Combined Group Agent Certificate setting forth the aggregate Long Term Indebtedness incurrence capacity of the Obligated Group; and the conditions of Section 501(b)(ii) and (iii) shall be met for so long as TJU or any other Obligated Group Member has not incurred additional Long Term Indebtedness or any other event has occurred to reduce such capacity.

Section 613. Indemnity. Each Member of the Obligated Group will, jointly and severally, pay, and will protect, indemnify and save the Master Trustee (and its directors, officers, employees and agents) harmless from and against any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees, costs and expenses of such Member of the Obligated Group and the Master Trustee), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to Property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(a) the use, non-use, condition or occupancy of any of the Property of any Member of the Obligated Group, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any of such Property including adjoining sidewalks, streets or alleys and any equipment or Facilities at any time located on such Property or used in connection therewith;

(b) violation of any agreement, warranty, covenant or condition of this Master Indenture, except by the Master Trustee;

(c) violation of any contract, agreement or restriction by any Member of the Obligated Group relating to its Property, which shall have existed at the time of execution and delivery of this Master Indenture;

(d) violation of any law, ordinance, regulation or court order affecting any Property of any Member of the Obligated Group or the ownership, occupancy or use thereof;

(e) any statement or information concerning any Member of the Obligated Group or its officers and members or its Property, contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Obligations or any Related Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning any Member of the Obligated Group, its officers and members and its Property not misleading in any material respect, provided that the official statement or other offering document has been approved by a Member of the Obligated Group and the indemnified party did not have knowledge of the omission or misstatement or did not use the official statement or other offering document with reckless disregard of or gross negligence in regard to the accuracy or completeness of the official statement or other offering document; and

(f) the performance by the Master Trustee of its powers, duties and obligations under this Master Indenture except in the case of its gross negligence or willful misconduct.

Such indemnity shall extend to each Person, if any, who “controls” the Master Trustee as that term is defined in Section 15 of the Securities Act of 1933, as amended. The respective obligations of the Members of the Obligated Group under this Section 613 to indemnify and hold harmless the Master Trustee shall survive satisfaction and discharge of this Master Indenture and the replacement or resignation of the Master Trustee.

In the event of settlement of any litigation commenced or threatened, such indemnity shall be limited to the aggregate amount paid under a settlement effected with the written consent of the Combined Group Agent and the Master Trustee.

The Master Trustee shall promptly notify the Combined Group Agent in writing of any claim or action brought against the Master Trustee, its directors, officers, employees and agents, or any controlling person, as the case may be, in respect of which indemnity may be sought against any Member of the Obligated Group, setting forth the particulars of such claim or action, and the Obligated Group will assume the defense thereof, including the employment of counsel satisfactory in the reasonable discretion of the Master Trustee or such controlling person, as the case may be, and the payment of all expenses. The Master Trustee or any such controlling person, as the case may be, may employ separate counsel in any such action and participate in the defense thereof, and the reasonable fees and expenses of such counsel shall not be payable by the Obligated Group unless such employment has been specifically authorized by the Combined Group Agent.

Section 614. Entrance into the Obligated Group. Any Person may become a “Member of the Obligated Group” hereunder upon compliance with the following conditions:

(a) The Master Trustee receives a Certificate of the Combined Group Agent confirming that after the addition of such Person, the Obligated Group would not be in default in the performance or observance of any covenant or condition to be performed by it hereunder and no Event of Default under this Master Indenture shall exist.

(b) The Master Trustee receives an opinion of Bond Counsel to the effect that under then existing law the addition of such Person shall not adversely affect the validity of any Related Bonds then Outstanding or the exemption from federal income taxation of interest payable on any Tax-Exempt Bonds.

(c) The Master Trustee receives an Opinion of Counsel to the effect that under then existing law the addition of such Person shall not cause any Related Bonds to become subject to registration under the Securities Act of 1933 (or that such registration, if required, has been made).

(d) The Master Trustee receives any agreements evidencing the pledge to the Master Trustee of such Person’s Gross Revenues.

(e) The Master Trustee receives a Certificate of the Combined Group Agent demonstrating that either: (i) the Debt Service Coverage Ratio (calculated as if such Person were an Obligated Group Member) for the Fiscal Year immediately preceding the Fiscal Year in which such Person is proposed to be added as a Member of the Obligated Group was at least 1.50, or (ii) the Debt Service Coverage Ratio (calculated as if such Person were an Obligated Group Member) for the two most recent Fiscal Years immediately preceding the Fiscal Year in which such Person is proposed to be added as a Member of the Obligated Group was in each such preceding Fiscal Year at least 1.10, and the Debt Service Coverage

Ratio (calculated as if such Person were a Member of the Obligated Group) is forecasted in a report prepared by a Consultant to be at least 1.40 for each of the two complete Fiscal Years succeeding the Fiscal Year in which such Person is proposed to be added as an Obligated Group Member.

Upon receipt of all documents required by this Section, the Master Trustee shall deliver to such Person and the Combined Group Agent a Certificate stating that such Person shall become an Obligated Group Member hereunder, effective upon delivery of such Certificate to such Person and the Combined Group Agent. Upon such addition, such new Obligated Group Member shall be jointly and severally liable for all obligations of the Obligated Group Members hereunder.

For the avoidance of doubt, a Person may be designated by a Member of the Obligated Group even if such Person is not an Affiliate of the Combined Group Agent; provided that the provisions of this Section 614 are satisfied. The designation of such Person as a Member of the Obligated Group does not require that any Persons that would be affiliates of such Person become Affiliates of the Combined Group Agent hereunder.

Section 615. Reserved.

Section 616. Release of an Obligated Group Member. Any Obligated Group Member other than the Combined Group Agent may be released from its obligations and liabilities hereunder, and upon such release shall cease to be a “Member of the Obligated Group” hereunder, upon compliance with the following conditions:

(a) The Master Trustee receives a Certificate of the Combined Group Agent confirming that after the release of such Member of the Obligated Group, the Obligated Group would not be in default in the performance or observance of any covenant or condition to be performed by it hereunder and no Event of Default hereunder shall exist.

(b) The Master Trustee receives an opinion of Bond Counsel to the effect that under then existing law the release of such Obligated Group Member shall not adversely affect the validity of any Related Bonds then Outstanding or the exemption from federal income taxation of interest payable on any Tax-Exempt Bonds.

(c) The Master Trustee receives an Opinion of Counsel to the effect that under then existing law the release of such Obligated Group Member shall not cause any of the Related Bonds to become subject to registration under the Securities Act of 1933 (or that such registration, if required, has been made).

(d) The Master Trustee receives a Certificate of the Combined Group Agent stating that the conditions set forth in this Section have been satisfied, accompanied by evidence of such satisfaction in form and substance satisfactory to the Master Trustee, and stating that such Obligated Group Member is to be released from its obligations and liabilities hereunder.

(e) The Master Trustee receives a Certificate of the Combined Group Agent demonstrating that:

(i) either the Debt Service Coverage Ratio (calculated assuming such Person was not an Obligated Group Member) for the most recent Fiscal Year immediately preceding the Fiscal Year in which such Person is proposed to be removed as a Member of the Obligated Group is, in such preceding Fiscal Year, greater than 1.10; or (B) the Debt Service Coverage Ratio (calculated assuming that such Person is not an

Obligated Group Member) for the next two succeeding Fiscal Years immediately subsequent to the Fiscal Year in which such Person is proposed to be removed as a Member of the Obligated Group is forecasted by the Combined Group Agent in a Certificate of the Combined Group Agent to be at least equal to 1.25; and

(ii) for the Fiscal Year immediately preceding the Fiscal Year in which such Person is proposed to be removed as an Obligated Group Member (calculated assuming that such person was not a Member of the Obligated Group) the Days Cash on Hand Ratio was not less than 75 days.

(f) If the Obligated Group Member proposing to be released from the Obligated Group is a party to any Related Loan Documents with respect to Related Bonds which remain outstanding, another Member of the Obligated Group shall issue an Obligation hereunder evidencing or assuming the obligation of the Obligated Group in respect of such Related Bonds.

Upon written request and assuming compliance with the other provisions of this Section, the Master Trustee shall deliver to such Member of the Obligated Group any instrument reasonably requested to evidence that such Obligated Group Member is released from its obligations and liabilities hereunder (including any UCC termination statements); provided that, notwithstanding the date of delivery of any such instrument, the release of such Obligated Group Member shall be effective as of the date of compliance with this Section. Upon the release of any Obligated Group Member under this Section, such Member of the Obligated Group shall no longer be obligated to pay any principal of, premium, if any, or interest on any Obligation and shall not be required to comply with any other provision hereof.

Section 617. Maintaining Debt Service Requirements Coverage.

(a) Within 180 days after the end of each Fiscal Year (commencing with the Fiscal Year ending June 30, 2022), the Combined Group Agent shall compute the Debt Service Coverage Ratio for such Fiscal Year and furnish a Certificate of the Combined Group Agent setting forth such computations to the Master Trustee.

(b) The Combined Group Agent covenants and agrees that, and shall cause each Member of the Combined Group and cause each Controlling Member to cause each of its Designated Affiliates to covenant and agree that, if at the end of any Fiscal Year the Debt Service Coverage Ratio shall have been less than 1.10 to 1.0, it will use its best efforts to adopt a budget for the current Fiscal Year that will result in the Debt Service Coverage Ratio for such Fiscal Year to be at least 1.10 to 1.0. If the Debt Service Coverage Ratio is less than 1.0 for any Fiscal Year, the Combined Group Agent will engage an Independent Consultant to advise the Combined Group on possible steps to take to enhance future revenues and/or reduce future expenses in order to achieve a Debt Service Coverage Ratio not less than 1.10 to 1.0 in the future. Failure to maintain a Debt Service Coverage Ratio equal to 1.10 shall not constitute an event of default so long as: (i) the Combined Group Agent shall engage an Independent Consultant as/when required and consider such Independent Consultant's recommendations; and (ii) Liquid Unrestricted Net Assets is greater than 25% of the Outstanding Long Term Indebtedness. Copies of the recommendations of the Independent Consultant shall be filed with the Master Trustee.

(c) Notwithstanding the provisions of subsection (b) above, if such failure to maintain a Debt Service Coverage Ratio of 1.10 is a direct or indirect result of a Force Majeure Event, as determined in the sole discretion of the Combined Group Agent, then the Combined Group Agent shall not be required to retain an Independent Consultant for the purposes described in subsection (b) above. The Combined Group Agent shall deliver a Certificate of the Combined Group Agent to the Master Trustee stating the nature of the Force Majeure Event and describing the steps being taken with respect to the rates, fees and

charges or expenses and methods of operation and other factors affecting its financial condition in order to improve the Debt Service Coverage Ratio for the then current Fiscal Year.

Section 618. Right to Consent, Etc. Each Member of the Obligated Group, with the prior written consent of the Combined Group Agent, shall have the right to agree in any Related Bond Indenture, Related Loan Document or Supplemental Master Indenture pursuant to which an Obligation is issued that, so long as any Related Bonds remain outstanding under such Related Bond Indenture or such Obligation remains outstanding, any or all provisions of this Master Indenture that provide for approval, consent, direction or appointment by the Master Trustee, provide that anything must be satisfactory or acceptable to the Master Trustee or not unacceptable to the Master Trustee, allow the Master Trustee to request anything or contain similar provisions granting discretion to the Master Trustee, may also require or allow, as the case may be, the approval, consent, appointment, satisfaction, acceptance, request or like exercise of discretion by the Related Bond Issuer, the Related Bond Trustee, the credit or liquidity enhancer of any Related Bonds, or the holders of some specified percentage of such Obligations as provided for in such Obligations, or any one thereof, and that all items required to be delivered or addressed to the Master Trustee hereunder may also be delivered or addressed to the Related Bond Issuer, such Obligation holders, the credit enhancer of any Related Bonds, and the Related Bond Trustee, or any one thereof, unless waived thereby.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 701. Events of Default. Each of the following events is hereby declared an “Event of Default”:

(a) any failure of the Obligated Group to pay any installment of interest or principal, or any premium, or any other amount due, on any Obligation when the same shall become due and payable, whether at maturity, upon any date fixed for prepayment or by acceleration or otherwise (giving effect to any grace period provided in the Supplemental Master Indenture pursuant to which such Obligation was issued); or

(b) subject to the qualification and limitation set forth in the last paragraph of this Section 701 and except with respect to the provisions of Section 617(c) hereof, if a Member of the Combined Group fails to perform any of its other covenants, conditions or provisions under the Master Indenture and such failure continues for 60 days after the Master Trustee gives the Combined Group Agent written notice thereof; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 60 day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the applicable Combined Group Member shall commence such performance within such 60 day period and shall diligently and continuously prosecute the same to completion; or

(c) any representation or warranty made by a Member of the Combined Group in this Master Indenture and any Supplemental Master Indenture proves to be false or misleading in any material respect at the time it was made; or

(d) if the Combined Group Agent or other issuer of an Obligation pursuant to Section 201 (an “Obligated Issuer”) hereof shall default in the payment of any Indebtedness (other than Obligations Outstanding under this Master Indenture), and any period of grace shall have expired, or other event of default has occurred that has resulted in the Indebtedness being due and payable prior to the date on which it would otherwise be due and payable; provided, however, that such default shall not constitute an

Event of Default if (i) the Members of the Obligated Group in good faith commence proceedings to contest the existence or payment of that Indebtedness and sufficient moneys are escrowed with a bank or trust company for the payment of that Indebtedness, or (ii) the outstanding principal amount of the Indebtedness so in default does not exceed the greater of (A) 5% of the Total Unrestricted Revenues for the immediately preceding Fiscal Year or (B) 10% of the Book Value of the Obligated Group's net Property, Plant and Equipment GAAP; or

(e) if a decree or order by a court having jurisdiction shall have been entered adjudging an Obligated Issuer as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of any Obligated Issuer under the United States Bankruptcy Code or any other similar applicable federal or state law, and such decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Obligated Issuer or of its Property, or for the winding-up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; or

(f) if any Obligated Issuer shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the United States Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its Property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by any Obligated Issuer in furtherance of any of the aforesaid purposes.

The provisions of Section 701(b) hereof are qualified by and subject to the following limitation: if by reason of a Force Majeure Event, as determined in the sole discretion of the Combined Group Agent, any Member of the Combined Group is unable in whole or in part to carry out its agreements on its part contained in this Master Indenture, such Combined Group Member shall not be deemed in default during the continuance of such Force Majeure Event.

Section 702. Acceleration and Annulment Thereof.

(a) If any Event of Default has occurred and is continuing the Master Trustee may and, at the written direction of the holders of 25% in principal amount of the Obligations then Outstanding, shall, by notice in writing to the Combined Group Agent, declare the principal of all Obligations then Outstanding to be immediately due and payable, and upon such declaration the said principal, together with interest accrued thereon, shall become due and payable immediately at the place of payment provided therein, anything in this Master Indenture or in the Obligations to the contrary notwithstanding; provided, however, that no such declaration shall be made if Obligated Group cures such Event of Default prior to the date of the declaration. The Master Trustee shall notify the Combined Group Agent and all Obligation holders of the acceleration. Upon the occurrence of any acceleration hereunder, the Master Trustee shall immediately exercise such rights as it may have under the Master Indenture to declare all payments hereunder to be due and payable immediately.

(b) If after the principal of the Obligations has been so declared to be due and payable, all arrears of interest upon the Obligations and interest on overdue installments of interest at the interest rate on the Obligations are paid by the Obligated Group, and the Obligated Group also performs all other things in respect to which the Related Bond Issuer may have been in default hereunder and pays the reasonable charges and expenses of the Master Trustee and the Obligation holders, including reasonable attorney's fees, costs and expenses, then, and in every such case, the Master Trustee may annul such declaration and its consequences and such annulment shall be binding upon the Master Trustee and upon

all holders of Obligations issued hereunder; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

(c) Immediately after any acceleration hereunder, the Master Trustee, to the extent it has not already done so, shall notify in writing the Combined Group Agent of the occurrence of such acceleration. Within five calendar days of the occurrence of any acceleration hereunder, the bond registrar shall notify by first class mail, postage prepaid, the Owners of all Obligations Outstanding of the occurrence of such acceleration, the date through which interest has accrued and the time and place of payment.

Section 703. Remedies; Rights of Obligation Holders. Upon the occurrence of any Event of Default hereunder, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Obligations outstanding hereunder and any other sums due under the Obligations or hereunder and may collect such sums in the manner provided by law out of the Property of any Member of the Obligated Group wherever situated.

Such remedies may include, without limitation:

(1) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Master Trustee, and require the Obligated Group to carry out any agreements with or for the benefit of the Obligation holders and to perform its duties under this Master Indenture; or

(2) by action or suit in equity require the Obligated Group, to account as if it were the trustee of an express trust for the Master Trustee; or

(3) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Master Trustee; or

(4) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the Obligation holders, to have appointed a receiver or receivers, with such powers as the court making such appointment shall confer; or

(5) upon notice to the Combined Group Agent, to accelerate the due dates of all sums due or to become due hereunder, in compliance with the provisions of Section 702.

If an Event of Default shall have occurred and is continuing, and if it shall have been requested to do so in writing by the holders of 25% or more in aggregate principal amount of Obligations outstanding (and upon the provision of indemnity satisfactory to the Master Trustee in its sole discretion), the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 703 as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; provided, however, that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by Counsel (who may be its own Counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

No remedy by the terms of this Master Indenture conferred upon or reserved to the Master Trustee (or to the holders of Obligations) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Master Trustee or to the holders of Obligations hereunder now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Master Trustee or by the holders of Obligations, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

When the Master Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 704. Direction of Proceedings by Holders. The holders of a majority in aggregate principal amount of all Obligations then outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant to Section 702 hereof and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of a majority in aggregate principal amount of the Obligations then outstanding in the case of any other remedy, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by Counsel (who may be its own Counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction.

The foregoing notwithstanding, the holders of a majority in aggregate principal amount of all Obligations then outstanding which are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Obligations shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture, the Supplemental Master Indentures pursuant to which such Obligations were issued or so secured or any separate security document in order to realize on such security; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture.

Section 705. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the holders of Obligations under this Master Indenture, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer. Each Member of the Obligated Group hereby consents and agrees, and will if requested by the Master Trustee consent and agree at the time of application by the Master Trustee for appointment of a receiver of its Property, to the appointment of such receiver of its Property and that such receiver may be given the right, power and authority, to the extent the same may lawfully be given, to take possession of and operate and deal with such Property and the revenues, profits and proceeds therefrom, with like effect as the Member of the Obligated Group could do so, and to borrow money and issue evidences of indebtedness as such receiver.

Section 706. Application of Moneys. All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article VII (except moneys held for the payment of Obligations called for prepayment or redemption which have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Bond Issuers and any Related Bond Trustees, be applied as follows:

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

First: To the payment to the persons entitled thereto of all installments of interest (and fees, if any) then due on the Obligations, in the order of the maturity of the installments of such interest (including but not limited to the reimbursement of interest paid by a letter of credit provider under any letter of credit securing an issue or series of Related Bonds), and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal and premium, if any, on the Obligations which shall have become due (other than Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of this Master Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full Obligations due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto without any discrimination or privilege; and

Third: To the payment to the persons entitled thereto of any other amounts which have become due under any and all Obligations, including but not limited to any payments under Swaps.

(b) If all Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest and all other amounts then due and unpaid upon the Obligations without preference or priority of principal, premium, interest or other amounts over the others, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, interest and all other amounts to the persons entitled thereto without any discrimination or privilege; and

(c) If all Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) of this Section 706 in the event that all Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section 706.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts to be paid on such date shall cease to accrue. The Master

Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of this Section 706 and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the Combined Group Agent on behalf of the Members of the Obligated Group or Combined Group, as applicable. When all Obligations and interest thereon have been paid under the provisions of this Section 706 and all expenses and charges of the Master Trustee have been paid, the Combined Group Agent shall be authorized to terminate of record any financing statements or other filings or evidence of any Lien granted hereunder.

Section 707. Remedies Vested in Master Trustee. All rights of action including the right to file proof of claims under this Master Indenture or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Obligations, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Obligations. Upon the occurrence of an Event of Default under this Master Indenture, the Master Trustee shall, in addition to any other remedies available hereunder or under applicable law, have the right to enforce the covenants of each Controlling Member to cause its Designated Affiliates to comply with the covenants applicable thereto as provided in Section 601 hereof.

Section 708. Rights and Remedies of Obligation Holders. No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an Event of Default and the holders of 25% or more in aggregate principal amount (i) of all Obligations then Outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant to Section 702 hereof and have not been paid in full in the case of powers exercised to enforce such payment or (ii) of all Obligations then Outstanding in the case of any other exercise of power, shall have made written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered indemnity to the Master Trustee for its fees and expenses (including attorney's fees, costs and expenses) in an amount satisfactory to the Master Trustee in its sole discretion, and unless the Master Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of this Master Indenture and to any action or cause of action for the enforcement of this Master Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Indenture by its, his or their action or to enforce any right hereunder 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 equal benefit of the holders of all Obligations outstanding. Nothing in this Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on, or any other amounts due under, any Obligation at and after the maturity thereof, or the obligation of the Members of the Obligated Group to pay the principal, premium, if any, and interest on, or any other amounts due under, each of the Obligations issued hereunder to the

respective holders thereof at the time and place, from the source and in the manner expressed in said Obligations.

Section 709. Termination of Proceedings. In case the Master Trustee shall have proceeded to enforce any right under this Master Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Master Trustee, then and in every case the Members and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the Property pledged and assigned hereunder, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

Section 710. Waiver of Events of Default. If, at any time after all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided and before the acceleration of any Related Bond, any Member of the Obligated Group shall pay or shall deposit with the Master Trustee (in connection with any Event of Default described in Section 701(a) hereof) a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal and premium, if any, of, and any other amounts due under, all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all Events of Default under this Master Indenture, other than the nonpayment of any amounts due under such Obligations that shall have become due by acceleration, shall have been remedied, then, and in every such case, the Master Trustee shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or affect any subsequent Event of Default, or shall impair any right consequent thereon.

No delay or omission of the Master Trustee or of any holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Master Trustee and the holders, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

The Master Trustee may waive any Event of Default which in its opinion being advised by Counsel (which may be its own Counsel) shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

In case of any waiver by the Master Trustee of an Event of Default hereunder, the Members of the Obligated Group, the Master Trustee and the holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 711. Combined Group Members' Rights of Possession and Use of Property. So long as no Event of Default shall have occurred and is continuing, each Member of the Combined Group shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee.

Section 712. Related Bond Trustee or Bondholders Deemed To Be Obligation Holders. For the purposes of this Master Indenture, unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture and written notice thereof is given to the Master Trustee in either such case, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations

pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides and written notice thereof is given to the Master Trustee in either such case, the holders of each series of Related Bonds (or, in lieu thereof, the credit enhancer for such Related Bonds) shall be deemed the holders of the Obligations to the extent of the principal amount of the Obligations to which such Related Bonds relate. Notwithstanding the above, but subject to any limitations set forth in any Related Bond Indenture, the holder of any Related Bonds, or if there is a credit enhancer for any Related Bond, the credit enhancer for any Related Bonds (i.e., a bond insurer or other financial institution providing a bond insurance policy or surety bond, or a bank or other financial institution providing a letter of credit, in any case securing, insuring or guaranteeing all principal of and interest on any Related Bonds) shall be deemed to be the holder of the Obligation securing such Related Bonds for all purposes of the Master Indenture, including without limitation, all approvals, consents and directions under the Master Indenture.

Section 713. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this instrument or the provisions hereof invalid or unenforceable under the provisions of any applicable law.

Section 714. Notice of Default. The Master Trustee shall, within 10 days after a Responsible Officer has actual knowledge of the occurrence of an Event of Default, mail, by first class mail, to all holders as the names and addresses of such holders appear upon the books of the Master Trustee, notice of such Event of Default known to a Responsible Officer of the Master Trustee, unless such Event of Default shall have been cured before the giving of such notice; provided that, except in the case of default in the payment of the principal of or premium, if any, or interest or any other amounts on any of the Obligations, the Master 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 any responsible officers of the Master Trustee being advised by Counsel (which may be its own Counsel) in good faith determines that the withholding of such notice is in the interests of the holders.

ARTICLE VIII

THE MASTER TRUSTEE

Section 801. Acceptance of the Trusts. The Master Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the terms and conditions expressly set forth herein. The Master Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture, and no implied covenants or obligations should be read into this Master Indenture against the Master Trustee. If an Event of Default under this Master Indenture shall have occurred and be continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and shall use the same degree of care as a prudent Person would exercise or use in the circumstances in the conduct of his or her own affairs. The Master Trustee agrees to perform such trusts only upon and subject to the following express terms and conditions:

(a) The Master Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Master Trustee may act upon the opinion or advice of an attorney, surveyor, engineer or

accountant selected by it in the exercise of reasonable care or, if selected or retained by any Member of the Obligated Group, approved by the Master Trustee in the exercise of such care.

(b) The Master Trustee shall not be responsible for any recital herein, or in the Obligations (except with respect to the certificate of authentication of the Master Trustee endorsed on the Obligations), or for the investment of moneys as herein provided (provided that no investment shall be made by the Master Trustee except in compliance with the provisions of this Master Indenture applicable to such investment), or for the recording or re-recording, filing or re-filing of this Master Indenture, or any supplement or amendment thereto, or the filing of financing statements to perfect any security interest hereunder (provided that subject to Section 401(c) the Master Trustee shall be responsible for filing continuation statements to perpetuate the perfection of any security interest hereunder prior to the expiration of the financing statements originally filed with respect thereto which name the Master Trustee as secured party and filed copies of which were delivered to the Master Trustee), or for the validity of the execution by any Member of the Obligated Group of this Master Indenture, or by any Member of the Obligated Group of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby, or for the value or title of the Property herein conveyed or otherwise as to the maintenance of the security hereof. The Master Trustee may (but shall be under no duty to) require of any Member of the Obligated Group full information and advice as to the performance of the covenants, conditions and agreements in this Master Indenture and shall use its best efforts, but without any obligation, to advise the Members of the Obligated Group of any impending default known to the Master Trustee. The Master Trustee shall have no obligation to perform any of the duties of the Obligated Group hereunder.

(c) The Master Trustee shall not be accountable for the use or application by the Obligated Group of any of the Obligations or the proceeds thereof or for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture. The Master Trustee may become the owner of Obligations secured hereby with the same rights it would have if it were not Master Trustee, and may enter into other business and financial transactions with any Member of the Combined Group.

(d) The Master Trustee shall conclusively rely upon and be fully protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Counsel), affidavit, letter, telegram, email or other paper or document in good faith reasonably deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Master Trustee pursuant to this Master Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Obligation shall be conclusive and binding upon all future owners of the same Obligation and upon Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Master Trustee shall be entitled to conclusively rely upon a Certificate of the Combined Group Agent as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which the Master Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Master Trustee may accept a Certificate of the Combined Group Agent to the effect that a Certified Resolution in the form therein set forth has been adopted by such Member of the Obligated Group as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful default.

(g) The Master Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Obligated Group to cause to be made any of the payments to the Master Trustee required to be made by Section 202 or Section 601 unless a Responsible Officer of the Master Trustee shall be specifically notified in writing of such default by a Member of the Combined Group, by any Related Bond Issuer, by any Related Bond Trustee, or by the holders of at least 25% in aggregate principal amount of all Obligations then outstanding and all notices or other instruments required by this Master Indenture to be delivered to the Master Trustee must, in order to be effective, be delivered at the corporate trust office of the Master Trustee designated in Section 1204 hereof, and in the absence of such notice so delivered, the Master Trustee may conclusively assume there is no default except as aforesaid.

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

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

(j) All moneys received by the Master Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Master Indenture. The Master Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon. The Master Trustee shall conclusively rely upon the Combined Group Agent's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Master Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Master Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such investments. In the absence of written investment instructions from the Combined Group Agent, the Master Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. Although each Obligated Group Member recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each Obligated Group Member hereby agrees that broker confirmations of investments are not required to be issued by the Master Trustee for each month in which a monthly statement is rendered by the Master Trustee.

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

(l) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section 801.

(m) Before taking any action under this Master Indenture relating to an event of default or in connection with its duties under this Master Indenture other than making payments on the Obligations as they become due or causing an acceleration of the Obligations whenever required by this Master Indenture, the Master Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all fees, costs and expenses (including attorney's fees, costs and expenses) to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(n) The Master Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to any Obligations or any Related Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with any Obligations or any Related Bonds.

(o) The Master Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Master Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 802. Fees, Charges and Expenses of Master Trustee. The Master Trustee shall be indemnified as provided in Section 613 hereof, and shall be entitled to payment and/or reimbursement by the Members of the Obligated Group for reasonable fees and for its services rendered hereunder and all advances, counsel fees, costs and expenses and other costs and expenses reasonably and necessarily made or incurred by the Master Trustee in connection with such services, including the reasonable costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of the Master Trustee's rights, powers or duties hereunder. The Master Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Master Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Master Trustee as Obligation registrar for the Obligations as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Master Trustee shall have a right of payment prior to payment on account of principal of, or premium, if any, or interest on, or any other amounts due under, any Obligation for the foregoing advances, fees, costs and expenses incurred. The respective obligations of the Members of the Obligated Group under this Section 802 to compensate the Master Trustee to pay or reimburse the Master Trustee for expenses, disbursements or advances, shall survive satisfaction and discharge of this Master Indenture.

Section 803. Notice to Obligation Holders if Default Occurs. If a default occurs of which the Master Trustee is by subsection (g) of Section 801 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Master Trustee shall give written notice thereof by

mail to the last known owners of all Obligations then outstanding shown by the list of Obligation holders required by the terms of this Master Indenture to be kept at the office of the Master Trustee or its agent.

Section 804. Intervention by Master Trustee. In any judicial proceeding to which any Member of the Obligated Group is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interests of owners of the Obligations, the Master Trustee may intervene on behalf of Obligation holders and shall do so if requested in writing by the owners of at least 25% in aggregate principal amount of all Obligations then outstanding if indemnification satisfactory to the Master Trustee in its sole discretion is provided to the Master Trustee. The rights and obligations of the Master Trustee under this Section 804 are subject to the approval of a court of competent jurisdiction.

Section 805. Successor Master Trustee. Any corporation or association into which the Master Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Master Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 806. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be a bank or trust company organized under the laws of the United States of America or any state thereof, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and (except for the Master Trustee initially appointed under this Master Indenture and its successors under Section 805) having a reported combined capital and surplus of at least \$50,000,000. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section 806, it shall resign immediately in the manner provided in Section 807 hereof. No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee shall become effective until the successor Master Trustee has accepted its appointment under Section 810 hereof.

Section 807. Resignation by the Master Trustee. The Master Trustee and any successor Master Trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the Combined Group Agent and by registered or certified mail to each registered owner of Obligations then outstanding as shown by the list of Obligation holders required by this Master Indenture to be kept at the office of the Master Trustee or its agent. Such resignation shall take effect at the end of such 30 days or when a successor Master Trustee has been appointed and has assumed the trusts created hereby, whichever is later, or upon the earlier appointment of a successor Master Trustee by the Obligation holders or by the Obligated Group. Such notice to the Combined Group Agent may be served personally or sent by registered or certified mail.

Section 808. Removal of the Master Trustee. The Master Trustee may be removed at any time upon thirty (30) days' written notice, by an instrument or concurrent instruments in writing delivered to the Master Trustee and to the Combined Group Agent, and signed by the owners of a majority in aggregate principal amount of all Obligations then outstanding. So long as no Event of Default or event which with the passage of time or giving of notice or both would become such an Event of Default has occurred and is continuing hereunder, the Master Trustee may be removed with or without cause at any time upon thirty (30) days' written notice by an instrument or concurrent instruments in writing signed by the Combined Group Agent, delivered to the Master Trustee.

Section 809. Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee. In case the Master Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Obligations then outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized. The foregoing notwithstanding, so long as no Event of Default or event which with the passage of time or giving of notice or both would become such an Event of Default has occurred, the Combined Group Agent shall have the right to approve any such successor trustee and to appoint any such successor trustee in lieu of the owners of a majority in aggregate principal amount of all Obligations then Outstanding. Every such successor Master Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing under the law of the jurisdiction in which it was created and by which it exists, having corporate trust powers and subject to examination by federal or state authorities, and having a reported capital and surplus of not less than \$50,000,000. If the Master Trustee has provided written notice of its resignation and no successor Master Trustee has been appointed in accordance with the terms of this Article VIII within 30 days after such notice, the Master Trustee may make a request to a court of competent jurisdiction to appoint a successor.

Section 810. Concerning Any Successor Master Trustee. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Combined Group Agent an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the reasonable written request of the Combined Group Agent, or of its successor, execute and deliver an instrument transferring to such successor Master Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Master Trustee shall deliver all securities and moneys held by it as Master Trustee hereunder to its successor. Should any instrument in writing from any Member of the Obligated Group be required by any successor Master Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by such Member of the Obligated Group. The resignation of any Master Trustee and the instrument or instruments removing any Master Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII shall be filed and/or recorded by the successor Master Trustee in each recording office, if any, where the Master Indenture shall have been filed and/or recorded.

Section 811. Master Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Master Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Master Trustee for the release of property and the withdrawal of cash hereunder.

Section 812. Successor Master Trustee as Trustee of Funds and Obligation Registrar. In the event of a change in the office of Master Trustee, the predecessor Master Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Obligation registrar, and the successor Master Trustee shall become trustee of all funds provided hereunder and Obligation registrar. The resigned or removed Master Trustee shall be responsible for transferring to the successor Master Trustee all books, records and assets (including without limitation the Gross Revenues Account and any balance therein) theretofore maintained by the resigned or removed Master Trustee hereunder.

Section 813. Maintenance of Records. The Master Trustee agrees to maintain such records with respect to any and all moneys or investments held by the Master Trustee pursuant to the provisions hereof as are reasonably requested by the Combined Group Agent. The Master Trustee shall be entitled to reasonable compensation for its maintenance of any such records.

Section 814. List of Obligation Holders. The Master Trustee will keep on file at its office or at the office of its agent a list of the names and addresses of the last known holders of all Obligations and the serial numbers of such Obligations held by each of such holders. At reasonable times, upon prior written notice, and under reasonable regulations established by the Master Trustee, said list may be inspected and copied by any Member of the Obligated Group, any Obligation holder or the authorized representative thereof, provided that the ownership of such holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 815. Master Trustee as Registrar. The Master Trustee is hereby designated and agrees to act as Obligation registrar for and in respect to the Obligations.

ARTICLE IX

SUPPLEMENTAL MASTER INDENTURES

Section 901. Supplemental Master Indentures Not Requiring Consent of Obligation Holders. Subject to the limitations set forth in Section 902 hereof with respect to this Section 901, the Members of the Obligated Group (or the Combined Group Agent on their behalf) and the Master Trustee may, without the consent of, or notice to, any of the Obligation holders, amend or supplement this Master Indenture, for any one or more of the following purposes:

(a) To cure any ambiguity or defective provision in or omission from this Master Indenture in such manner as is not inconsistent with and does not impair the security of the Master Indenture or adversely affect the holder of any Obligation;

(b) To grant to or confer upon the Master Trustee for the benefit of the Obligation holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Obligation holders and the Master Trustee, or either of them, to add to the covenants of the Members of the Obligated Group or the Combined Group, as applicable, for the benefit of the Obligation holders or to surrender any right or power conferred hereunder upon any Member of the Obligated Group or the Combined Group, as applicable, including, but not limited to, any amendments necessary to establish or maintain any credit ratings applicable to the Obligated Group;

(c) To assign and pledge under this Master Indenture any additional revenues, properties or collateral;

(d) To evidence the succession of another entity to the agreements of a Member of the Obligated Group or the Combined Group, as applicable, or the Master Trustee, or the successor to any thereof hereunder;

(e) To permit the qualification of this Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter in effect or to permit the qualification of any Obligations for sale under the securities laws of any state of the United States;

(f) To provide for the refunding or advance refunding of any Obligation (subject to the provisions of Section 501(d)(ii) hereof);

- (g) To provide for the issuance of Obligations as permitted hereunder;
- (h) To reflect the addition to or withdrawal of a Member from the Obligated Group or the addition or deletion of any Designated Affiliate, including the necessary changes to Exhibits A and B hereto, or to reflect any release of Property to be released from the Lien on Gross Revenues created under this Master Indenture to the extent permitted by Section 612 of this Master Indenture;
- (i) To provide for the issuance of Obligations with original issue discount, provided such issuance would not materially adversely affect the holders of Outstanding Obligations;
- (j) To permit an Obligation to be secured by security that is not extended to all Obligation holders to the extent not prohibited hereunder;
- (k) To permit the issuance of Obligations which are not in the form of a promissory note;
- (l) To modify or eliminate any of the terms of this Master Indenture; provided, however, that such Supplemental Master Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Obligation outstanding of any series created prior to the execution of such Supplemental Master Indenture;
- (m) To modify, eliminate or add to the provisions of this Master Indenture if the Master Trustee shall have received (i) written confirmation from each rating agency that such change will not result in a withdrawal or reduction of its credit rating assigned to any series of Obligations or Related Bonds, as the case may be, or a report, opinion or certification of a Consultant to the effect that such change is consistent with then current industry standards, and (ii) a Certificate of the Combined Group Agent to the effect that, in the judgment of the Combined Group Agent, such change is necessary to permit any Member of the Obligated Group to affiliate or merge with, on acceptable terms, one or more corporations that provide health care services and such modification is in the best interests of the holders of the Outstanding Obligations; and
- (n) To make any other change that does not materially adversely affect the rights or interests of the holders of any of the Obligations and does not materially adversely affect the rights or interests of the holders of any Related Bonds, including without limitation any modification, amendment or supplement to this Master Indenture or any indenture supplemental hereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code.

Any Supplemental Master Indenture providing for the issuance of Obligations shall set forth the date thereof, the date or dates upon which principal of, premium, if any, and interest on, and any other amounts due under, such Obligations shall be payable, the other terms and conditions of such Obligations, the form of such Obligations and the conditions precedent to the delivery of such Obligations which shall include, among other things:

- (i) delivery to the Master Trustee of an Opinion of Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of such Obligations, if any, set forth herein and in the Supplemental Master Indenture have been complied with and satisfied; and
- (ii) delivery to the Master Trustee of an Opinion of Counsel acceptable to the Master Trustee to the effect that neither registration of such Obligations under the Securities Act of 1933, as amended, nor qualification of such Supplemental Master Indenture under the Trust Indenture Act of 1939,

as amended, is required, or, if such registration or qualification is required, that the Obligated Group has complied with all applicable provisions of said acts.

If at any time the Combined Group Agent shall request the Master Trustee in writing to enter into any Supplemental Master Indenture pursuant to subsection (m) above, the Master Trustee shall cause notice of the proposed execution of such Supplemental Master Indenture to be given to each rating agency then maintaining a rating on any Obligations or Related Bonds, in the manner provided in Section 1204 hereof at least 15 days prior to the execution of such Supplemental Master Indenture, which notice shall include a copy of the proposed Supplemental Master Indenture.

Section 902. Supplemental Master Indentures Requiring Consent of Obligation Holders.

In addition to Supplemental Master Indentures covered by Section 901 hereof and subject to the terms and provisions contained in this Section 902, and not otherwise, the holders of not less than a majority in aggregate principal amount of all Obligations which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture or, in case less than all of the several series of Obligations are affected thereby, the holders of not less than a majority in aggregate principal amount of all Obligations of each series affected thereby which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture, shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the execution by the Members of the Obligated Group and the Master Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by the Members of the Obligated Group for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Master Indenture; provided, however, that nothing contained in this Section 902 or in Section 901 hereof shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal or other amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal or other amount or percentage of Obligations the holders of which are required to consent to any such Supplemental Master Indenture, without the consent of the holders of all the Obligations at the time outstanding that would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the prior written consent of the Master Trustee.

If at any time the Combined Group Agent shall request the Master Trustee in writing to enter into any such Supplemental Master Indenture for any of the purposes of this Section 902, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Master Indenture to be mailed by first class mail postage prepaid to each holder of an Obligation or, in case less than all of the series of Obligations are affected thereby, of an Obligation of the series affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Master Indenture and shall state that copies thereof are on file at the corporate trust office of the Master Trustee identified in such notice for inspection by all Obligation holders. The Master Trustee shall not, however, be subject to any liability to any Obligation holder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Master Indenture when consented to and approved as provided in this Section 902. If the holders of not less than a majority in aggregate principal amount of all Obligations or the Obligations of each series affected thereby, as the case may be, which are outstanding hereunder at the time of the execution of any such Supplemental Master Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Obligation shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Members of the Obligated Group from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental

Master Indenture as provided and permitted in this Section 902, this Master Indenture shall be and be deemed to be modified and amended in accordance therewith.

For the purpose of obtaining the foregoing consents, the determination of who is deemed the holder of an Obligation held by a Related Bond Trustee shall be made in the manner provided in Section 712.

Section 903. Note and Document Substitution. The Obligated Group and the Master Trustee may, without the consent of or notice to any of the Holders of Obligations, amend or supplement this Master Indenture to modify, amend, change or remove any covenant, agreement, term or provision of the Master Indenture in order to effect the affiliation of the Obligated Group, any Members of the Obligated Group or any Designated Affiliates with another entity or entities and the inclusion of the Obligated Group, any Members of the Obligated Group or any Designated Affiliates in another obligated group (the “New Obligated Group”) under a new master trust indenture (the “New Master Indenture”) executed by the members of the New Obligated Group and an independent corporate trustee (the “New Master Trustee”) meeting the eligibility requirements of Section 806 (such transaction is referred to collectively herein as the “Obligated Group Transaction”), subject to the following requirements and conditions:

(a) The modifications, amendments, changes and removals permitted by this Section shall include those necessary or appropriate to implement the Obligated Group Transaction and to effect (i) the inclusion of the members in the New Obligated Group, or (ii) the issuance of new or replacement Obligation or Obligations (the “Replacement Obligations”) of the New Obligated Group under the New Master Indenture to evidence or secure any Indebtedness or Related Bonds, which Replacement Obligation or Obligations would constitute joint and several obligations of the members of the New Obligated Group, or (iii) the release or discharge of any collateral securing any Obligation or Related Bonds, including any mortgage, any equipment lien, any pledge of revenues (subject to Section 903(b)(i)(A)(III) below) and receivables, or any debt service reserve fund, in consideration for the issuance of a Replacement Obligation or Obligations of the New Obligated Group under the New Master Indenture to secure any Indebtedness or Related Bonds, or (iv) the replacement of all or a portion of the Obligated Group’s financial and operating covenants and related definitions set forth in this Master Indenture with the New Obligated Group’s financial and operating covenants and related definitions set forth in the New Master Indenture.

(b) The Obligated Group may implement the Obligated Group Transaction, and the Master Trustee upon the written request of the Combined Group Agent shall implement the Obligated Group Transaction, if:

(i) the Combined Group Agent gives written notice of the substance of such proposed Obligated Group Transaction to each rating agency that has in effect a rating for any Master Notes or Related Bonds then Outstanding prior to the date such Obligated Group Transaction is to take effect, and either:

(A) (I) each such rating agency (or, if no rating agency has in effect a rating for any Master Notes or Related Bonds then Outstanding without taking into account any Credit Facility, at least one rating agency selected by the Combined Group Agent) shall confirm in writing prior to the implementation of the Obligated Group Transaction that the rating on any such Replacement Obligations or Related Bonds of the New Obligated Group immediately subsequent to the Obligated Group Transaction (x) will be not less than “A2” by Moody’s or “A” by S&P, or their equivalent, or (y) if the then current rating of any Related Bonds or Master Notes (without giving effect to any Credit Facility) is less than “A2” by Moody’s or “A” by S&P, then such rating will be not less than the then current rating of the Related Bonds or Obligations, and (II)

the Combined Group Agent delivers a Certificate certifying that after giving effect to such Replacement Obligations and assuming that the New Obligated Group constituted the Obligated Group under this Master Indenture, the New Obligated Group could demonstrate compliance with the provisions of Section 501(b)(ii) and (iii), assuming the incurrence of \$1.00 of additional Long-Term Indebtedness, and (III) the New Master Indenture contains a pledge of Gross Revenues substantially similar to the pledge of Gross Revenues in this Master Indenture as of the date thereof; or

(B) (I) the Combined Group Agent delivers a Certificate certifying that after giving effect to such Replacement Obligations and assuming that the New Obligated Group constituted the Obligated Group under the Master Indenture, the New Obligated Group could demonstrate compliance with the provisions of Section 501(b)(ii) and (iii), assuming the incurrence of \$1.00 of additional Long-Term Indebtedness, provided, however, that for purposes of the calculations required in Section 501(b)(ii)(1), Liquid Unrestricted Net Assets shall not be less than 75% of the principal amount of all Long Term Indebtedness of the Obligated Group to be Outstanding or for purposes of the calculations required in Section 501(b)(ii)(2) the Net Revenues will be equal to at least 125% of the Maximum Annual Debt Service of all Outstanding Long-Term Indebtedness of the Obligated Group, and (II) the New Master Indenture contains a pledge of Gross Revenues substantially similar to the pledge of Gross Revenues in the Master Indenture as of the date thereof; and

(ii) an original executed counterpart of the New Master Indenture is delivered to the New Master Trustee; and

(iii) original Replacement Obligations for all Master Notes Outstanding under this Master Indenture are delivered to the New Master Trustee, which Replacement Obligations are issued by or on behalf of the New Obligated Group under and pursuant to and secured by the New Master Indenture and shall have been duly authenticated by the New Master Trustee under the terms of the New Master Indenture; and

(iv) at or prior to the implementation of the Obligated Group Transaction, there shall also be delivered to the Master Trustee, each Related Bond Issuer and each Related Bond Trustee, (A) an Opinion of Bond Counsel to the effect that under then-existing law the implementation of the Obligated Group Transaction and the execution of the amendments or supplements contemplated in this Section, in and of themselves, would not adversely affect the validity of any Outstanding Related Bonds or the exclusion from federal income taxation of interest payable on such Related Bonds, and (B) an Opinion of Counsel to the effect that (I) the Replacement Obligation or Obligations of the New Obligated Group to be delivered to secure any Indebtedness or Related Bonds constitute legal, valid and binding obligations of the members of the New Obligated Group enforceable in accordance with their terms subject to customary exceptions, and (II) the issuance of the Replacement Obligation or Obligations will not cause such Related Bonds or such Replacement Obligation or Notes to become subject to the registration requirements pursuant to the Securities Act of 1933, as amended (or that such Related Bonds or Obligations have been so registered if registration is required) and will not subject the New Master Indenture to the qualification provisions of the Trust Indenture Act of 1939, as amended (or that the New Master Indenture has been so qualified if qualification is required).

(c) Not less than 15 days before the implementation of the Obligated Group Transaction, the Combined Group Agent shall direct each Related Bond Trustee to give written notice thereof, by first-class mail, to each Related Bond Issuer and to all owners of the Related Bonds then Outstanding.

Section 904. Execution of Supplemental Master Indentures. The Master Trustee shall not be required to execute any proposed Supplemental Master Indenture pursuant to this Article IX unless it is provided with (i) an Opinion of Counsel satisfactory to the Master Trustee to the effect that such proposed Supplemental Master Indenture and its execution by the Master Trustee are permitted or authorized under this Article IX; and (ii) an opinion of Bond Counsel to the effect that such Supplemental Master Indenture will not adversely affect the exemption of interest on any Related Bonds from income tax under the Code.

ARTICLE X

SATISFACTION OF THE MASTER INDENTURE

Section 1001. Defeasance. If the Members of the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations (including, for the purposes of this Section 1001, any Obligations owned by a Member of the Obligated Group) outstanding in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on, and any other amounts due under, all Obligations outstanding, as and when the same become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations outstanding (including the payment of premium, if any, and interest payable on, and any other amounts due under, such Obligations to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the written direction of the Combined Group Agent in Escrow Securities, in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Securities may be used at the written direction of the Combined Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations outstanding; or

(d) by depositing with the Master Trustee, in trust, before maturity, non-callable Escrow Securities in such amount as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the amounts due on all Obligations outstanding at or before their respective maturity or due dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group and, if any such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of this Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then and in that case (but subject to the provisions of Section 1003 hereof) this Master Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Master Trustee shall, upon written request of the Combined Group Agent, and upon receipt by the Master Trustee of a Certificate of the Combined Group Agent and an Opinion of Counsel acceptable to the Master Trustee, each stating that in the opinion of the signer all conditions precedent to the satisfaction and

discharge of this Master Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Master Indenture and the lien hereof. The satisfaction and discharge of this Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection herewith. Thereafter the holders of the Obligations shall be entitled to payment only out of the moneys or Escrow Securities deposited with the Master Trustee as aforesaid.

Any moneys, funds, securities, or other property remaining on deposit under this Master Indenture (other than said Escrow Securities or other moneys deposited in trust as above provided) shall, upon the full satisfaction of this Master Indenture, forthwith be transferred, paid over and distributed to the Combined Group Agent.

The Obligated Group may at any time surrender to the Master Trustee for cancellation by it any Obligations previously authenticated and delivered which the Obligated Group may have acquired in any manner whatsoever, and such Obligations, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 1002. Provision for Payment of a Particular Series of Obligations or Portion Thereof. If the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including, for the purpose of this Section 1002, any such Obligations owned by a Member of the Obligated Group) in one of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on, and any other amounts due under, all Obligations of such series or portion thereof outstanding, as and when the same shall become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Obligations of such series or portion thereof outstanding (including the payment of premium, if any, and interest payable on, and any other amounts due under, such Obligations to the maturity or redemption date), provided that such moneys, if invested, shall be invested at the written direction of the Combined Group Agent in Escrow Securities in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Securities may be used at the written direction of the Combined Group Agent for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations of such series or portion thereof outstanding; or

(d) by depositing with the Master Trustee, in trust, non-callable Escrow Securities in such amount as will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group with respect to such series of Obligations or portion thereof, and, if any such Obligations of such series or portion thereof are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in

that case (but subject to the provisions of Section 1003 hereof) such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture except for such Liens solely on amounts held by the Master Trustee for the payment or redemption of such Obligations as may then exist.

Section 1003. Satisfaction of Related Bonds. The provisions of Section 1001 and Section 1002 of this Master Indenture notwithstanding, any Obligation which secures Related Bonds (i) shall be deemed paid and shall cease to be entitled to the lien, benefit and security under the Master Indenture in the circumstances relating to the satisfaction, repayment or defeasance of such Related Bonds described in the definition of “Outstanding” contained in Article I; and (ii) shall not be deemed paid and shall continue to be entitled to the lien, benefit and security under this Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Indenture pursuant to the provisions thereof.

ARTICLE XI

MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS

Section 1101. Proof of Ownership. Any request, direction, consent or other instrument provided by this Master Indenture to be signed and executed by the Obligation holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Obligation holders in person or by an agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes of this Master Indenture and shall be conclusive in favor of the Master Trustee and the Obligated Group, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgements in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of Obligations shall be proved by the registration of such Obligations.

Any action taken or suffered by the Master Trustee pursuant to any provision of this Master Indenture, upon the request or with the assent of any person who at the time is the holder of any Obligation or Obligations, shall be conclusive and binding upon all future holders of the same Obligation or Obligations or any Obligation or Obligations issued in exchange therefor.

ARTICLE XII

MISCELLANEOUS

Section 1201. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations is intended or shall be construed to give to any Person other than the parties hereto, and the holders of the Obligations, any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Obligations as herein provided.

Section 1202. Unclaimed Moneys. Any moneys deposited with the Master Trustee by the Obligated Group in accordance with the terms and covenants of this Master Indenture, in order to redeem or pay any Obligation in accordance with the provisions of this Master Indenture, and remaining unclaimed by the owners of the Obligation for six years after the date fixed for redemption or of maturity, as the case may be, shall, if the Obligated Group is not at the time to the actual knowledge of a Responsible Officer of the Master Trustee in default with respect to any of the terms and conditions of this Master Indenture, or in the Obligations, be repaid by the Master Trustee to the Combined Group Agent upon its written request therefor on behalf of the Members; and thereafter the registered owners of the Obligation shall be entitled to look only to the Obligated Group for payment thereof. The Obligated Group hereby covenants and agrees to indemnify and save the Master Trustee harmless from any and all losses, costs, liability and expense suffered or incurred by the Master Trustee by reason of having returned any such moneys to the Members as herein provided. The foregoing indemnification shall survive the termination of this Master Indenture or the sooner resignation or removal of the Master Trustee.

Section 1203. Severability. If any provision of this Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

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

Section 1204. Notices. It shall be sufficient service of any notice, complaint, demand or other paper on the Combined Group Agent or any other Member of the Combined Group if the same shall be delivered in person, by overnight courier, or duly mailed by registered or certified mail addressed as follows: Thomas Jefferson University, 1101 Market Street, Capital Management – 20th Floor, Philadelphia, PA 19107, Attention: Senior Vice President of Finance and Chief Financial Officer. It shall be sufficient service of any notice, complaint, demand or other paper on the Master Trustee if the same shall be delivered in person, by overnight courier, or duly mailed by registered or certified mail addressed as follows: 1735 Market Street, 9th Floor, Philadelphia, Pennsylvania 19103 or any successor office designated in writing by the Master Trustee.

Section 1205. Counterparts. This Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1206. Applicable Law. This Master Indenture shall be governed exclusively by the applicable laws of the Commonwealth without regard to conflict of law principles.

Section 1207. Immunity of Officers, Employees and Members. No recourse shall be had for the payment of any amounts due under any of the Obligations or for any claim based thereon or upon any obligation, covenant or agreement contained in this Master Indenture against any past, present or future officer, director, trustee, employee, member or agent of any Member of the Combined Group, or of any successor corporation or other legal entity, as such, either directly or through any Member of the Combined or any successor corporation or other legal entity, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, employees, members or agents as such is hereby expressly waived and

released as a condition of and consideration for the execution of this Master Indenture and the issuance of such Obligations.

Section 1208. Electronic Communications. The Master Trustee shall have the right to accept and act upon directions or instructions given by the Combined Group Agent pursuant to this Master Indenture and delivered using Electronic Means (defined below); provided, however, that the Combined Group Agent shall provide to the Master Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an “Authorized Officer”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Combined Group Agent elects to give the Master Trustee directions or instructions using Electronic Means and the Master Trustee in its discretion elects to act upon such directions or instructions, the Master Trustees’ understanding of such directions or instructions shall be deemed controlling. The Combined Group Agent understands and agrees that the Master Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Master Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Master Trustee have been sent by such Authorized Officer. The Combined Group Agent shall be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Master Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee’s reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Combined Group Agent agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Master Trustee, including without limitation the risk of the Master Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Master Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Master Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. “Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Master Trustee as available for use in connection with its services hereunder.

Section 1209. Holidays. If the date for making any payment or the date for performance of any act or the exercising of any right, as provided in this Master Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Master Indenture.

IN WITNESS WHEREOF, the Combined Group Agent, on behalf of itself as a Member of the Obligated Group and as Combined Group Agent, and the other Members of the Obligated Group, have caused these presents to be signed in its name and on its behalf by its duly authorized officer, and to evidence its acceptance of the trusts hereby created the Master Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized officer, all as of the day and year first above written.

THOMAS JEFFERSON UNIVERSITY, on
behalf of itself as a Member of the Obligated
Group and as Combined Group Agent

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

TJUH SYSTEM, as Obligated Group Member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

THOMAS JEFFERSON UNIVERSITY
HOSPITALS, INC. as Obligated Group Member

By: TJUH System,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

JEFFERSON UNIVERSITY PHYSICIANS, as
Obligated Group Member

By: TJUH System,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

ABINGTON HEALTH, as Obligated Group
Member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

ABINGTON HEALTH FOUNDATION, as
Obligated Group Member

By: Abington Health,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

ABINGTON MEMORIAL HOSPITAL, as
Obligated Group Member

By: Abington Health,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

LANSDALE HOSPITAL, as Obligated Group Member

By: Abington Health,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

JEFFERSON HEALTH – NORTHEAST SYSTEM, as Obligated Group Member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

JEFFERSON HEALTH - NORTHEAST, as Obligated Group Member

By: Jefferson Health - Northeast System,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

PHILADELPHIA UNIVERSITY, as Obligated
Group Member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

KENNEDY HEALTH SYSTEM, INC., as
Obligated Group Member

By: Thomas Jefferson University, its sole
corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

KENNEDY HEALTH FACILITIES, INC., as
Obligated Group Member

By: Kennedy Health System, Inc.,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

KENNEDY UNIVERSITY HOSPITAL, INC.,
as Obligated Group Member

By: Kennedy Health System, Inc.,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

KENNEDY MEDICAL GROUP PRACTICE,
P.C., as Obligated Group Member

By: Kennedy Health System, Inc.,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

THE MAGEE MEMORIAL HOSPITAL FOR
CONVALESCENTS, as Obligated Group
Member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Master Trustee

By: _____
Name: Rhonda J. Brannon
Title: Vice President

Accepted and Agreed to by each of the
New Members to the Obligated Group:

ALBERT EINSTEIN HEALTH NETWORK

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

ALBERT EINSTEIN MEDICAL CENTER

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

EINSTEIN COMMUNITY HEALTH ASSOCIATES, INC.

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

EINSTEIN MEDICAL CENTER MONTGOMERY

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

EINSTEIN PRACTICE PLAN, INC.

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

FORNANCE PHYSICIAN SERVICES

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

MONTGOMERY HOSPITAL

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

MONTGOMERY HEALTH FOUNDATION

By: Montgomery Hospital,
its sole corporate member

By: Albert Einstein Health Network,
its sole corporate member

By: Thomas Jefferson University,
its sole corporate member

By: _____
Name: Alfred C. Salvato
Title: Authorized Officer

EXHIBIT A

MEMBERS OF THE OBLIGATED GROUP
AS OF FEBRUARY 2, 2022

THOMAS JEFFERSON UNIVERSITY
TJUH SYSTEM,
THOMAS JEFFERSON UNIVERSITY HOSPITALS, INC.,
JEFFERSON UNIVERSITY PHYSICIANS,
ABINGTON HEALTH,
ABINGTON HEALTH FOUNDATION,
ABINGTON MEMORIAL HOSPITAL,
LANSDALE HOSPITAL,
JEFFERSON HEALTH – NORTHEAST SYSTEM,
JEFFERSON HEALTH – NORTHEAST,
PHILADELPHIA UNIVERSITY,
KENNEDY HEALTH SYSTEM, INC.,
KENNEDY HEALTH FACILITIES, INC.,
KENNEDY UNIVERSITY HOSPITAL, INC.,
KENNEDY MEDICAL GROUP PRACTICE, P.C.,
THE MAGEE MEMORIAL HOSPITAL FOR CONVALESCENTS
ALBERT EINSTEIN HEALTH NETWORK,
ALBERT EINSTEIN MEDICAL CENTER,
EINSTEIN COMMUNITY HEALTH ASSOCIATES, INC.,
EINSTEIN MEDICAL CENTER MONTGOMERY,
EINSTEIN PRACTICE PLAN, INC.,
FORNANCE PHYSICIAN SERVICES,
MONTGOMERY HOSPITAL, AND
MONTGOMERY HEALTH FOUNDATION

EXHIBIT B

LIST OF DESIGNATED AFFILIATES
AS OF FEBRUARY 2, 2022

Health Partners Plans, Inc.

APPENDIX E

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FORM OF CO-BOND COUNSEL OPINION

Re: Pennsylvania Higher Educational Facilities Authority \$[] Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 and \$[] Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C

We have acted as co-bond counsel to the Pennsylvania Higher Educational Facilities Authority (the “Authority”) in connection with the issuance of its \$[] aggregate principal amount of Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 (the “Series 2024B-1 Bonds”) and its \$[] aggregate principal amount of Thomas Jefferson University Taxable Fixed Rate Revenue Bonds, Series 2024C (the “Series 2024C Bonds” and, together with the Series 2024B-1 Bonds, the “Bonds”). The Bonds are being issued under and pursuant to the provisions of the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) and a Series 2024B-1 Trust Indenture and a Series 2024C Trust Indenture, each dated as of November 1, 2024 (together, the “Indentures” and each, an “Indenture”), each between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Indentures.

The Bonds are being issued at the request of Thomas Jefferson University (“TJU”) to provide funds that will be used to finance a project (the “Project”) consisting of the following:

(a) the payment of (or the reimbursement to TJU for) the costs of: (i) the acquisition, installation and implementation of a patient electronic records system; (ii) certain renovation, construction, improvement, expansion, fit-out, and equipment costs of and other capital expenditures for the Emergency Department at Lehigh Valley Hospital-Muhlenberg, located at 2545 Schoenersville Road, Bethlehem, PA 18017; (iii) certain renovation, construction, improvement, fit-out, and equipment costs of and other capital expenditures for facilities located within the boundaries of 12th Street, Filbert Street, 7th Street and Spruce Street, Philadelphia, PA 19107; (iv) certain renovation, construction, improvement, fit-out, and equipment costs of and other capital expenditures of the Family Birth and Newborn Center at Lehigh Valley Hospital-Pocono located at 206 E Brown Street, East Stroudsburg, PA 18301; and (v) the acquisition, construction, renovation, improvement, fit-out, and equipment costs of and other capital expenditures for educational and/or health care facilities located at 1107 Grosser Road, Gilbertsville, PA 19525;

(b) the payment of (or the reimbursement to TJU for) the costs of the acquisition by TJU of its sole corporate membership interest in Lehigh Valley Health Network, Inc. (“LVHN”) related to the payment or defeasance of all or a portion of the following indebtedness previously issued for the benefit of LVHN: (i) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series A of 2015 issued in the original aggregate principal amount of \$75,000,000; (ii) Lehigh County General Purpose Authority Hospital Revenue Refunding Bonds (Lehigh Valley Health Network), Series A of 2016 issued in the original aggregate principal amount of \$139,275,000; (iii) City of Pottsville Hospital Authority Hospital Revenue Bonds (Lehigh Valley Health Network), Series B of 2016 issued in the original aggregate principal amount of \$53,255,000; (iv) Monroe County Hospital Authority Hospital Revenue

Bonds (Pocono Medical Center), Series of 2016 issued in the original aggregate principal amount of \$58,320,000; (v) Lehigh County General Purpose Authority Hospital Revenue Bonds (Lehigh Valley Health Network) Series A of 2019 issued in the original aggregate principal amount of \$418,120,000; (vi) Carbon County Hospital Authority Hospital Revenue Bonds, Series 2022B (Lehigh Valley Health Network Obligated Group) issued in the original aggregate principal amount of up to \$42,500,000; and (vii) certain commercial bank loan incurred on August 30, 2022 for the benefit of LVHN in the original principal amount of approximately \$40,000,000;

(c) the current refunding of all or a portion of the following indebtedness previously issued for the benefit of TJU: (i) Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Variable Rate Revenue Bonds, Series 2015H (Taxable) issued in the original aggregate principal amount of \$29,050,000; and (ii) Thomas Jefferson University Taxable Revenue Bonds, Series 2022A issued in the original aggregate principal amount of \$590,155,000;

(d) the funding of amounts for other general corporate purposes of TJU and its affiliates;

(e) [the payment of the costs associated with credit enhancement, if any]; and

(f) the payment of issuance costs and expenses incident to the financing.

The Bonds are being issued initially as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Bonds will bear interest at the rates and will mature in the amounts and on the dates as set forth on the inside front cover of the Official Statement dated November __, 2024 relating to the Bonds.

Concurrently with the issuance of the Bonds, the Authority and TJU are entering into a Series 2024B-1 Loan Agreement and a Series 2024C Loan Agreement, each dated as of November 1, 2024 (together, the “Loan Agreements” and each, a “Loan Agreement”), providing for the loan of the proceeds of the applicable series of Bonds to TJU to pay certain costs of the Project. Under the Loan Agreements, TJU is obligated to make loan payments in the amounts and at the times necessary to pay, when due, the principal of, premium, if any, and interest on the applicable series of Bonds. Under the Indentures, the Authority has assigned certain of its rights and interests under each respective Loan Agreement, including its right to receive the payments under the Loan Agreements with respect to the applicable series of Bonds, to the Trustee for the benefit of the holders of the Bonds.

TJU has represented in each Loan Agreement that it has been determined to be and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”) by virtue of being an organization described in Section 501(c)(3) of the Code. TJU is not a “private foundation” as defined in Section 509(a) of the Code and TJU has not taken any action to impair its status as an exempt organization. In the Loan Agreement related to the Series 2024B-1 Bonds, TJU has covenanted that, throughout the term of such Loan Agreement, it will not carry on or permit to be carried on, and will cause each Combined Group Member not to carry on or permit to be carried on, in any property now or hereafter owned by it any trade or business the conduct of which would cause the interest on the Series 2024B-1 Bonds to be included in the gross income of the Holders thereof for purposes of federal income taxation.

Under each of the Indenture and the Loan Agreement related to the Series 2024B-1 Bonds, the Authority and TJU have covenanted that they will comply with the requirements of Section 148 of the Code pertaining to arbitrage bonds. In addition, an officer of the Authority responsible for issuing the Series 2024B-1 Bonds and an authorized officer of TJU have executed certificates stating the reasonable expectations of the Authority and TJU on the date of issue of the Series 2024B-1 Bonds as to future events

that are material for the purposes of such requirements of the Code. The Authority also has delivered to us for filing with the Internal Revenue Service a report of the issuance of the Series 2024B-1 Bonds as required by the Code as a condition for the exclusion from gross income of the interest on the Series 2024B-1 Bonds for federal income tax purposes.

In our capacity as co-bond counsel we have examined such documents, records of the Authority and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indentures, the Loan Agreements and the other documents listed in the closing index in respect of the Bonds filed with the Trustee. We also assume that the Indentures and the Loan Agreements have been duly authorized, executed and delivered by, and are valid and binding obligations of, the parties thereto other than the Authority. We also have examined an executed Bond of each series, authenticated by the Trustee, and have assumed that all other Bonds have been similarly executed and authenticated.

Based on the foregoing, it is our opinion that:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”), with full power and authority under the Act to undertake the financing of the Project, to execute, deliver and perform its obligations under the Loan Agreements and the Indentures, and to issue and sell the Bonds.

2. The Loan Agreements and the Indentures have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the covenants of the Authority therein constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors’ rights generally.

3. All conditions precedent to the issuance of the Bonds pursuant to each respective Indenture have been satisfied.

4. The issuance and sale of the Bonds have been duly authorized by the Authority. On the assumption as to execution and authentication stated above, the Bonds have been duly executed and delivered by the Authority and authenticated by the Trustee, and are legal, valid and binding limited obligations of the Authority enforceable against the Authority in accordance with their terms and entitled to the benefit and security of the related Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors’ rights generally.

5. Under the laws of the Commonwealth as presently enacted and construed, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

6. Assuming the accuracy of the certifications of the Authority and TJU and the other Combined Group Members and their continuing compliance with the requirements of the Code, interest on the Series 2024B-1 Bonds [(including original issue discount)] is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date hereof. Interest on the Series 2024B-1 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations, as provided in the Code, for purposes of computing the alternative minimum tax imposed on such corporations. Interest on the Series 2024C Bonds is not excludable from gross income for federal tax purposes.

Except as set forth in paragraphs 5 and 6 above, we express no opinion regarding any tax consequences with respect to the Bonds.

We have not been engaged to express, and do not express any opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any information pertaining to the offering for sale of the Bonds. We are not rendering any opinion with respect to the priority of the lien of each respective Indenture.

We call your attention to the fact that the Bonds are limited obligations of the Authority payable only out of certain revenues of the Authority including payments to be made by TJU pursuant to each respective Loan Agreement and certain other moneys available therefor as provided in the related Indenture, and that the Bonds do not pledge the credit or taxing power of the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

Very truly yours,

FORM OF CO-BOND COUNSEL OPINION

Re: \$[_____] Pennsylvania Higher Educational Facilities Authority
 Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2

We have acted as co-bond counsel to the Pennsylvania Higher Educational Facilities Authority (the “Authority”) in connection with the issuance of its \$[_____] aggregate principal amount of Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2 (the “Bonds”). The Bonds are being issued under and pursuant to the provisions of the Pennsylvania Higher Educational Facilities Authority Act of 1967 (the Act of December 6, 1967, P.L. 678 24 P.S. §§5501 5517, as amended) and a Series 2024B-2 Trust Indenture dated as of December 1, 2024 (the “Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Indenture.

The Bonds are being issued at the request of Thomas Jefferson University (“TJU”) to provide funds that will be used to finance a project (the “Project”) consisting of the following: (a) the current refunding of a portion of the Pennsylvania Higher Educational Facilities Authority Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2015A issued in the original aggregate principal amount of \$301,805,000 previously issued for the benefit of TJU; [and] (b) [the payment of the costs associated with credit enhancement, if any; and (c)] the payment of issuance costs and expenses incident to the financing.

The Bonds are being issued initially as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Bonds will bear interest at the rates and will mature in the amounts and on the dates as set forth on the inside front cover of the Official Statement dated November __, 2024 relating to the Bonds.

Concurrently with the issuance of the Bonds, the Authority and TJU are entering into a Series 2024B-2 Loan Agreement dated as of December 1, 2024 (the “Loan Agreement”) providing for the loan of the proceeds of the Bonds to TJU to pay certain costs of the Project. Under the Loan Agreement, TJU is obligated to make loan payments in the amounts and at the times necessary to pay, when due, the principal of, premium, if any, and interest on the Bonds. Under the Indenture, the Authority has assigned certain of its rights and interests under the Loan Agreement, including its right to receive the payments under the Loan Agreement with respect to the Bonds, to the Trustee for the benefit of the holders of the Bonds.

TJU has represented in the Loan Agreement that it has been determined to be and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”) by virtue of being an organization described in Section 501(c)(3) of the Code. TJU is not a “private foundation” as defined in Section 509(a) of the Code and TJU has not taken any action to impair its status as an exempt organization. In the Loan Agreement, TJU has covenanted that, throughout the term of the Loan Agreement, it will not carry on or permit to be carried on, and will cause each Combined Group Member not to carry on or permit to be carried on, in any property now or hereafter owned by it any trade or business the conduct of which would cause the interest on the Bonds to be included in the gross income of the Holders thereof for purposes of federal income taxation.

Under the Indenture and the Loan Agreement, respectively, the Authority and TJU have covenanted that they will comply with the requirements of Section 148 of the Code pertaining to arbitrage bonds. In addition, an officer of the Authority responsible for issuing the Bonds and an authorized officer of TJU have executed certificates stating the reasonable expectations of the Authority and TJU on the date of issue of the Bonds as to future events that are material for the purposes of such requirements of the Code. The Authority also has delivered to us for filing with the Internal Revenue Service a report of the issuance of the Bonds as required by the Code as a condition for the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

In our capacity as co-bond counsel we have examined such documents, records of the Authority and other instruments as we deemed necessary to enable us to express the opinions set forth below, including original counterparts or certified copies of the Indenture, the Loan Agreement and the other documents listed in the closing index in respect of the Bonds filed with the Trustee. We also assume that the Indenture and the Loan Agreement have been duly authorized, executed and delivered by, and are valid and binding obligations of, the parties thereto other than the Authority. We also have examined an executed Bond, authenticated by the Trustee, and have assumed that all other Bonds have been similarly executed and authenticated.

Based on the foregoing, it is our opinion that:

1. The Authority is a body corporate and politic validly existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”), with full power and authority under the Act to undertake the financing of the Project, to execute, deliver and perform its obligations under the Loan Agreement and the Indenture, and to issue and sell the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the covenants of the Authority therein constitute legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors’ rights generally.

3. All conditions precedent to the issuance of the Bonds pursuant to the Indenture have been satisfied.

4. The issuance and sale of the Bonds have been duly authorized by the Authority. On the assumption as to execution and authentication stated above, the Bonds have been duly executed and delivered by the Authority and authenticated by the Trustee, and are legal, valid and binding limited obligations of the Authority enforceable against the Authority in accordance with their terms and entitled to the benefit and security of the Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors’ rights generally.

5. Under the laws of the Commonwealth as presently enacted and construed, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax.

6. Assuming the accuracy of the certifications of the Authority and TJU and the other Combined Group Members and their continuing compliance with the requirements of the Code, interest on the Bonds [(including original issue discount)] is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date hereof. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however,

_____, 2024

such interest is taken into account in determining the adjusted financial statement income of applicable corporations, as provided in the Code, for purposes of computing the alternative minimum tax imposed on such corporations.

Except as set forth in paragraphs 5 and 6 above, we express no opinion regarding any tax consequences with respect to the Bonds.

We have not been engaged to express, and do not express any opinion herein with respect to the adequacy of the security for the Bonds or the sources of payment for the Bonds or with respect to the accuracy or completeness of any information pertaining to the offering for sale of the Bonds. We are not rendering any opinion with respect to the priority of the lien of the Indenture.

We call your attention to the fact that the Bonds are limited obligations of the Authority payable only out of certain revenues of the Authority including payments to be made by TJU pursuant to the Loan Agreement and certain other moneys available therefor as provided in the Indenture, and that the Bonds do not pledge the credit or taxing power of the Commonwealth or any political subdivision thereof. The Authority has no taxing power.

Very truly yours,

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APPENDIX F

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FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT is executed and delivered as of [November 1, 2024][December 1, 2024], by and between Thomas Jefferson University (“TJU”), on behalf of itself and the other Members of the Obligated Group (as defined in the Master Indenture (as defined below)), and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, pursuant to a Bond Purchase Agreement dated _____, 2024, by and among the Pennsylvania Higher Educational Facilities Authority (the “Authority”), TJU and J.P. Morgan Securities LLC, as representative, acting for and on behalf of itself and BofA Securities, Inc., PNC Capital Markets LLC and Siebert Williams Shank & Co., LLC (collectively, the “Underwriters”), the Authority is selling to the Underwriters [\$_____ aggregate principal amount of its Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-1 (the “Series 2024B-1 Bonds”) and \$_____ aggregate principal amount of its Thomas Jefferson University Taxable Revenue Bonds (the “Series 2024C Bonds” and, together with the Series 2024B-1 Bonds, the “Bonds”)] [\$_____ aggregate principal amount of its Thomas Jefferson University Fixed Rate Revenue Bonds, Series 2024B-2 (the “Bonds”)]; and

WHEREAS, Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), provides that a Participating Underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an Offering (as defined in the Rule) unless the Participating Underwriter has reasonably determined that an issuer of municipal securities, or an obligated person for whom financial or operating data is presented in the final official statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide, either directly or indirectly through an indenture trustee or a designated agent, certain specified financial information and operating data and notices of certain listed events; and

WHEREAS, TJU also has, by separate agreement, retained Digital Assurance Certification, L.L.C. (“DAC”) as dissemination agent to assist TJU in connection with certain of its obligations under this Continuing Disclosure Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. Definitions. In addition to the terms defined in the above recitals, the following terms shall have the meanings specified below:

“Dissemination Agent” shall mean DAC, as dissemination agent for TJU and the other Members of the Obligated Group, or any successor thereto.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system (www.emma.msrb.org) as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

“Financial Obligation” shall mean “financial obligation” as such term is defined in the Rule. Further, the term “Financial Obligation” shall be construed with reference to and *in pari materia* with the Rule and any applicable no-action letters, adopting releases and other authoritative interpretations of the Rule released by the SEC from time to time.

“Jefferson” shall mean the Members of the Combined Group and their Affiliates, as such terms are defined in the Master Indenture.

“Loan Agreement” shall mean [the Series 2024B-1 Loan Agreement relating to the Series 2024B-1 Bonds or the Series 2024C Loan Agreement relating to the Series 2024C Bonds, as applicable][the Series 2024B-2 Loan Agreement relating to the Series 2024B-2 Bonds], [each] dated as of [November 1, 2024][December 1, 2024], between the Authority and TJU relating to the [applicable series of] Bonds.

“Master Indenture” shall mean the Amended and Restated Master Trust Indenture (Security Agreement), dated as of February 1, 2022, as supplemented, by and among TJU, on behalf of itself as a Member of the Obligated Group and as the Combined Group Agent, the other Members of the Obligated Group and any future Members from time to time of the Obligated Group, and The Bank of New York Mellon Trust Company, N.A., as master trustee.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” means the Official Statement dated _____, 2024 of the Authority and TJU, prepared in connection with the issuance and sale of the Bonds.

“Trust Indenture” shall mean [the Series 2024B-1 Trust Indenture relating to Series 2024B-1 Bonds and the Series 2024C Trust Indenture relating to Series 2024C Bonds, as applicable][the Series 2024B-2 Trust Indenture relating to the Series 2024B-2 Bonds], [each] dated as of [November 1, 2024][December 1, 2024], between the Authority and the Trustee relating to the [applicable series of] Bonds.

Terms not otherwise defined herein shall have the same meanings as in the [applicable] Trust Indenture.

Section 2. Covenants of TJU. TJU covenants as follows:

(a) TJU, or the Dissemination Agent on its behalf, shall deliver to the Trustee and the MSRB, through EMMA, within 180 days after the end of each fiscal year commencing with the fiscal year ending June 30, 2025:

(1) a copy of TJU’s consolidated annual financial statements (and the annual financial statements of each other Member of the Combined Group to the extent such entity’s results are not consolidated with the results of TJU) prepared in accordance with generally accepted accounting principles and audited by a certified public accountant; and

(2) to the extent not provided pursuant to clause (1) above, an update of other financial and operating data relating to Jefferson of the type set forth in Appendix A to the Official Statement under the sub-headings and headings specified in Exhibit A hereto.

(b) TJU, or the Dissemination Agent on its behalf, shall deliver to the Trustee and the MSRB, through EMMA, in a timely manner, not in excess of ten Business Days after the occurrence of the event, notice of any of the following events (collectively, “Reportable Events”) with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on any 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of the Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing payment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of a Member of the Obligated Group (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for a Member of the Obligated Group in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of a Member of the Obligated Group, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of a Member of the Obligated Group);

(13) The consummation of a merger, consolidation or acquisition involving a Member of the Obligated Group or the sale of all or substantially all of the assets of a Member of the Obligated Group, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of a Member of the Obligated Group, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of a Member of the Obligated Group, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of a Member of the Obligated Group, any of which reflect financial difficulties.

(c) In a timely manner, TJU, or the Dissemination Agent on its behalf, shall give to the Trustee and the MSRB, through EMMA, notice of any failure by TJU to provide any information required pursuant to subsection (a) above on or before the date specified in subsection (a) above.

(d) TJU, or the Dissemination Agent on its behalf, shall deliver to the Trustee and the MSRB, through EMMA, within 45 days after the end of each fiscal quarter, commencing with the fiscal quarter ending December 31, 2024: (i) those certain utilization statistics of Jefferson that appear in the table under the sub-heading “Utilization Statistics” under the heading “ABOUT JEFFERSON HEALTH in Appendix A to the Official Statement; (ii) a copy of Jefferson’s unaudited consolidated balance sheet for the fiscal quarter then ended, prepared substantially in accordance with generally accepted accounting principles (which, to the extent practicable and applicable, will include the financial information for any new entity which becomes part of Jefferson) and (iii) a copy of Jefferson’s unaudited consolidated statement of revenues and expenses and changes in unrestricted net assets for the fiscal quarter then ended, prepared substantially in accordance with generally accepted accounting principles (which, to the extent practical and applicable, will include the financial information for any new entity which becomes part of Jefferson), each subject to TJU’s determination that such information continues to be practically available to TJU in a timely manner and customarily made available to bondholders.

(e) TJU shall send to the Trustee concurrently with the delivery of any information required pursuant to subsection (a), (b), or (d) above a certificate signed by an authorized officer of TJU, stating that it has filed such information with the MSRB, through EMMA.

(f) TJU agrees to provide information required in subsection (a) and (b) above for each Member of the Obligated Group.

(g) TJU agrees that the provisions of this Section 2 shall be for the benefit of the registered holders and beneficial owners of the Bonds, and shall be enforceable by any holders or beneficial owners of the Bonds, or by the Trustee on their behalf, in accordance with the provisions of Section 7 herein.

(h) Any information, document, data and/or notice submitted to the MSRB via EMMA hereunder shall be submitted in electronic format and shall be accompanied by identifying information, all as prescribed by the MSRB.

Section 3. Duties of Trustee; Indemnity of Trustee and Authority.

(a) The Trustee shall retain copies, which may be in electronic or digital format, of all annual information and notices of Reportable Events provided by TJU hereunder until all of the Bonds have been fully paid.

(b) Neither the Trustee nor the Authority shall have responsibility or liability in connection with TJU's filing obligations under this Continuing Disclosure Agreement. The Trustee shall have only those duties specifically set forth in this Continuing Disclosure Agreement and no other duties shall be implied. TJU agrees to indemnify and save the Trustee and the Authority, and each of their respective officers, directors, employees and agents (collectively, the "Indemnitees"), from and against any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket expenses, incidental expenses, legal fees and expenses, the allocated costs and expenses of in house counsel and legal staff and the costs and expenses of defending or preparing to defend against any claim ("Losses") that may be imposed on, incurred by, or asserted against, the Indemnitees or any of them for following any instruction or other direction upon which the Trustee is authorized to rely pursuant to the terms of this Continuing Disclosure Agreement. In addition to and not in limitation of the immediately preceding sentence, TJU also covenants and agrees to indemnify and save the Indemnitees and each of them harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against the Indemnitees or any of them in connection with or arising out of the Trustee's performance under this Continuing Disclosure Agreement provided the Trustee has not acted with gross negligence or in violation of this Continuing Disclosure Agreement or engaged in willful misconduct. The provisions of this Section 3(b) shall survive the termination of this Continuing Disclosure Agreement and the resignation or removal of the Trustee for any reason. Anything in this Continuing Disclosure Agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall be entitled to the same protections, immunities and indemnities in so acting under this Continuing Disclosure Agreement as it has in acting as Trustee under the [applicable] Trust Indenture, including its right to compensation thereunder for any services it performs hereunder.

Section 4. Termination of Reporting Obligations. TJU's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If TJU's obligations with respect to the payment of the Bonds are assumed in full by some other entity in accordance with the [applicable] Loan Agreement, such other entity shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were TJU, and TJU shall have no further responsibility hereunder. In addition, TJU's obligation to provide information and notices as specified in Section 2 hereof shall terminate (a) at such other times as such information and notices (or any portion thereof) are no longer

required to be provided by the Rule as it applies to the Bonds, (b) in the event of a repeal or rescission of the Rule or (c) upon a determination that the Rule is invalid or unenforceable.

Section 5. [Reserved]

Section 6. Amendment. TJU and the Trustee may amend this Continuing Disclosure Agreement and waive any of the provisions hereof, but no such amendment or waiver shall be executed and effective unless (a) the amendment or waiver is made in connection with a change in legal requirements, change in law or change in the identity, nature or status of TJU or other Member of the Obligated Group or the operations conducted by TJU or other Member of the Obligated Group, (b) this Continuing Disclosure Agreement, as modified by the amendment or waiver complies with the requirements of the Rule, and (c) the amendment or waiver does not materially impair the interest of the registered owners of the Bonds. Prior to executing any requested amendment, the Trustee may request TJU to provide an opinion, addressed to Trustee, of counsel knowledgeable in federal securities laws and not unacceptable to the Trustee to the effect that the proposed amendment satisfies the requirements described above, which opinion the Trustee may exclusively rely upon. In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, TJU shall describe such amendment in its next annual report delivered pursuant to Section 2(a) hereof, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the financial information or operating data being presented by Jefferson. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i.e., changes other than those prescribed by generally accepted accounting principles), (i) notice of such change shall be given pursuant to the Reportable Event notice requirements as set forth in this Continuing Disclosure Agreement; and (ii) the annual report for the year in which the change is made will present a comparison between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. To the extent that the Rule requires an approving vote of beneficial owners of the Bonds in connection with an amendment, the approving vote of beneficial owners of Bonds constituting more than 50% of the aggregate principal amount of the then outstanding Bonds shall constitute such approval. TJU shall provide notice of any amendment to this Continuing Disclosure Agreement to the MSRB, through EMMA, and to the registered holders of the Bonds.

Section 7. Remedies for Default. In the event of a breach or default by TJU of its covenants to provide, or cause to be provided, annual financial information and notices as provided in Section 2 hereof, the Trustee or any registered holder or beneficial owner of Bonds shall have the right to bring an action in a court of competent jurisdiction to compel specific performance by TJU. A breach or default under this Continuing Disclosure Agreement shall not constitute a default or an event of default under the Bonds, the [applicable] Trust Indenture, the [applicable] Loan Agreement, the Master Indenture or any other agreement. The Trustee shall be under no obligation to enforce this Continuing Disclosure Agreement unless (a) directed in writing by the registered holders or beneficial owners of at least 25% of the outstanding principal amount of the Bonds and

(b) furnished with indemnity and security for its fees and expenses satisfactory to it in its sole discretion.

Section 8. Miscellaneous.

(a) Binding Nature of Agreement. This Continuing Disclosure Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. In addition, registered owners of the Bonds, which for the purposes of this Section 8 includes the holders of a book-entry credit evidencing an interest in the Bonds, from time to time shall be third party beneficiaries hereof and shall be entitled to enforce the provisions hereof as if they were parties hereto; but no consent of beneficial owners of the Bonds shall be required in connection with any amendment of this Continuing Disclosure Agreement, except as required by the Rule.

(b) Notices. All notices and other communications required or permitted under this Continuing Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mails, registered or certified mail, postage prepaid, return receipt requested, or when sent by facsimile, addressed or sent as set forth below;

(i) To the Trustee at:

The Bank of New York Mellon Trust Company, N.A.
1735 Market Street, 9th Floor, AIM #193-0950
Philadelphia, PA 19103
Facsimile: (215) 553-6915
Attention: Public Finance

(ii) To TJU at:

Thomas Jefferson University
1101 Market Street
Capital Management – 20th Floor
Philadelphia, PA 19107
Facsimile: (215) 923-5067
Attention: Alfred C. Salvato,
Senior Vice President Finance, Chief Investment Officer and Treasurer

With a copy to:

Thomas Jefferson University
925 Chestnut Street, Suite 110
Philadelphia, PA 19107
Attention: Cristina G. Cavalieri, Executive Vice President, and Chief Legal Officer, TJU General Counsel

Any party may alter the address or telecopier number to which communications are to be sent by giving notice of such change of address or telecopier number in conformity with the provisions of this Section.

(c) Execution in Counterparts. This Continuing Disclosure Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Continuing Disclosure Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall be executed by all of the parties hereto.

(d) Controlling Law. This Continuing Disclosure Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and the Rule.

(e) Successor and Assigns. The Trustee shall be permitted to assign, and the Dissemination Agent shall be permitted to accept assignment, of this Continuing Disclosure Agreement and the duties and indemnifications of the Trustee hereunder. Notwithstanding anything herein to the contrary, for so long as the Trustee is a party to this Continuing Disclosure Agreement, any successor trustee under the [applicable] Trust Indenture under which the Bonds were issued shall automatically succeed to the rights and obligations of the Trustee under this Continuing Disclosure Agreement.

SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Continuing Disclosure Agreement as of the date first above written.

THOMAS JEFFERSON UNIVERSITY, on behalf
of itself and the other Members of the Obligated
Group

By: _____
Authorized Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

EXHIBIT A

Pursuant to Section 2(a)(2) of this Continuing Disclosure Agreement, TJU shall include an update of the information of the type set forth in Appendix A to the Official Statement as follows:

- (i) The tables under the sub-heading “Enrollment, Admissions” under the heading “EDUCATIONAL ACTIVITIES;”
- (ii) The table under the sub-heading “Financial Aid” under the heading “EDUCATIONAL ACTIVITIES;”
- (iii) The table under the heading “RESEARCH ACTIVITIES;”
- (iv) The table under the sub-heading “Sources of Patient Revenue” under the heading “ABOUT JEFFERSON HEALTH;”
- (v) The table under the sub-heading “Utilization Statistics” under the heading “ABOUT JEFFERSON HEALTH;” and
- (vi) The table under the heading “FUNDRAISING AND CONTRIBUTIONS.”

