

**TRUST INDENTURE**

**BETWEEN**

**THE TRUSTEES OF INDIANA UNIVERSITY**

**AND**

**THE INDIANA NATIONAL BANK, AS TRUSTEE**

**DATED AS OF OCTOBER 1, 1985**

**RE:**

**INDIANA UNIVERSITY STUDENT FEE BONDS**

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THIS INDENTURE dated as of October 1, 1985 between THE TRUSTEES OF INDIANA UNIVERSITY, a body corporate, created and existing under the laws of the State of Indiana and located at Bloomington, Monroe County, Indiana (hereinafter called the "Issuer") party of the first part, and THE INDIANA NATIONAL BANK, a national banking association organized and existing under and by virtue of the laws of the United States of America and having its office and principal place of business in the City of Indianapolis, County of Marion and State of Indiana (hereinafter called the "Trustee"), as trustee, party of the second part;

WITNESSETH

WHEREAS, under date of August 1, 1968 the Issuer entered into an indenture with The Indiana National Bank, as Trustee, which Indenture provided for the issuance from time to time of the Issuer's Building Facility Fee Bonds; and

WHEREAS, the Issuer has from time to time issued its Building Facility Fee Bonds, Series A through J, L through N and Advance Refunding Series K, \$144,385,000 of which are now outstanding; and

WHEREAS, the Issuer now wishes to advance refund all of the outstanding bonds so issued and to provide for the issuance of its Indiana University Student Fee Bonds, Series A (the "Series A Bonds") secured by Student Fees (as hereinafter defined) and for that purpose to execute, acknowledge and deliver an indenture in the form and tenor of this Indenture providing for the creation and the securing of Bonds (as hereinafter defined) to be issued from time to time hereafter under this Indenture; and

WHEREAS, it is necessary to provide for satisfaction and discharge of the 1968 Indenture through the deposit of funds pursuant to an Escrow Deposit Agreement dated as of even date herewith among the Issuer, The Indiana National Bank, as trustee under the 1968 Indenture and The Indiana National Bank, as Trustee hereunder; and

WHEREAS, execution, acknowledgment and delivery of such Indenture and Escrow Deposit Agreement have been duly and legally authorized by the Board of Trustees of the Issuer; and

WHEREAS, all acts and things prescribed by law and otherwise necessary to make the Series A Bonds, when authenticated by the Trustee and issued by the Issuer as in this Indenture provided, valid, legal and binding obligations of the Issuer according to their import, and to constitute this Indenture a valid Indenture to secure the payment of the principal of and interest on the Series A Bonds, have been duly done, performed and complied with, and the creation, execution and delivery of this Indenture have in all respects been duly authorized; and

WHEREAS, in addition to the Series A Bonds the Issuer wishes to set forth the manner in which additional bonds may be issued hereunder from time to time such additional bonds together with the Series A Bonds (to be known as the "Bonds");

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That The Trustees of Indiana University, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by

the holders thereof from time to time and of the sum of One Dollar (\$1.00) to it duly paid by the Trustee at or before the ensembling and delivery of these presents and for other valuable considerations, the receipt whereof is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds are to be and may be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, and in order to secure the payment of the principal of and interest on the Bonds at any time issued and outstanding under this Indenture, according to their tenor and effect, and the performance and observance of all the covenants and conditions in said Bonds and herein contained, has executed and delivered this Indenture and has pledged, and by these presents does hereby pledge, assign and grant a first lien and security interest in Student Fees (and the Issuer's right to receive same), proceeds thereof and Funds created hereunder which are held by the Trustee (collectively "the Pledged Funds"), all in favor of The Indiana National Bank, as Trustee, and to its successor in said trust and to it and its assigns, and does hereby covenant and agree to apply the Student Fees and other Pledged Funds of the Issuer to the extent and in the manner provided in this Indenture.

The pledge, assignment and grant of a first lien and security interest and provisions for application of Student Fees and other Pledged Funds (as hereinafter defined) herein made are and shall be, subject to the provisions of this Indenture, for the equal and proportionate benefit, security and protection of all Bonds issued or to be issued under and secured by this Indenture without preference, priority or distinction of any Bond over any other Bond or of any series of Bonds over any other series of Bonds by reason of priority in the time of the execution, authentication, issue or sale thereof, or otherwise for any cause whatsoever, so that, except as aforesaid, each and every Bond issued hereunder shall have the same right and privilege under and by virtue of this Indenture as if all had been dated, executed, authenticated, issued, and sold simultaneously with the execution and delivery of this Indenture, except as provided in this Indenture with respect to Subordinated Bonds (as hereinafter defined); provided, however, that if the Issuer shall pay or cause to be paid to the holders of the Bonds the principal and interest (and premium if any) to become due in respect thereof at the times and in the manner stipulated therein and herein (or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due and to become due thereon for principal, interest and premium, if any, with irrevocable instructions so to apply the same), and shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed and observed by or on the part of the Issuer, then this Indenture and the rights hereby granted shall cease, determine and be void, at the option of the Issuer (evidenced by a certified resolution delivered to the Trustee), but otherwise to remain in full force and effect.

And it is further covenanted and agreed that the Bonds are to be issued, authenticated and delivered and that the Student Fees and other Pledged Funds herein pledged and provided to be applied to the payment thereof shall be held, accounted for and disposed of upon and subject to the following covenants, conditions and trusts; and the Issuer, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successor in trust hereunder, for the benefit of whomsoever shall hold the Bonds, as follows:

ARTICLE I

Definitions

Section 1.01. Terms Defined. In addition to the words and terms elsewhere defined in this Indenture the following words and terms as used in this Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Act" means Indiana Code 20-12-6, as supplemented by Indiana Code 5-1-5.

"Additional Bonds" means the additional parity or subordinated bonds authorized to be issued by the issuer pursuant to the terms and conditions of Article IV hereof and any bonds issued in substitution or replacement therefor but does not include junior lien obligations described in Section 4.04 hereof.

"Annual Debt Service Requirement" for any Fiscal Year means, in connection with the Series A Bonds and all Parity Bonds, the sum of (i) an amount equal to the amount of scheduled principal or mandatory sinking fund payments and interest due in such Fiscal Year on Fixed Rate Bonds (excluding principal of any balloon maturity and also excluding principal of any Optional Maturity for which a Credit Support Instrument has been provided), (ii) the amount of principal and interest projected to become due in such Fiscal Year on Variable Rate Bonds (excluding principal of any balloon maturity and also excluding principal of any Optional Maturity for which a Credit Support Instrument has been provided) and (iii) an amount equal to the principal amount of a balloon maturity occurring after the Fiscal Year in question divided by the number of years to maturity from its date of original issuance or from such later date in or prior to the Fiscal Year in question as specified in the Supplemental Indenture authorizing the issuance of such balloon maturity. Such projection of interest on Variable Rate Bonds shall be calculated at any date of calculation as an amount equal to one hundred ten percentum (110%) of the greater of (a) the average daily interest rate during the then preceding 12-month period or (b) the rate in effect on the date of calculation, but in either event, not to exceed any maximum interest rate which may be set for such Variable Rate Bonds. Interest which is payable from the proceeds of Bonds set aside for such purpose in the Sinking Fund shall be excluded in determining the Annual Debt Service Requirement. For purposes of this definition, "balloon maturity" shall mean Bonds of any series or multiple series of Bonds issued at substantially the same time with principal amounts maturing or otherwise due and payable within any 12-month period equal to or greater than 15% of the original principal amount of such Bonds; provided that, in calculating the amount due and payable in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be amortized prior to such 12-month period. The maturing amount of any Bonds issued at a discount shall not be considered a balloon maturity unless the original principal amount of such Bonds would be considered a balloon maturity.

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"Bondholder" or "holder of a bond" or any similar term means a registered owner of any bond.

"Bond" or "Bonds" shall mean any obligation including bonds, notes, temporary, interim or permanent certificates of indebtedness, debentures, capital leases, or any and all other obligations consistent with this Indenture and allowable under State law, which



are payable out of Student Fees, and other Pledged Funds and which obligation or obligations are authenticated and delivered under and pursuant to this Indenture.

"Building Facilities" means those capital items described in I.C. 20-12-6 for which Bonds have been or will be issued hereunder.

"Compounded Accreted Value" means the Compounded Accreted Value, from time to time, of the Series A Special Term Bonds, as determined in Section 5.03 hereof.

"Compounded Amount" means the Compounded Amount, from time to time, of the Series A Capital Appreciation Bonds, as determined in Section 5.03 hereof.

"Costs of Issuance" shall mean any and all costs and expenses relating to the issuance, sale and delivery of any series of Bonds, including, but not limited to, bond insurance premiums, letter of credit fees and the cost of providing other credit enhancements or liquidity features for such Bonds, Reserve Fund Credit Insurance, all fees and expenses of legal counsel, financial feasibility, or other consultants, trustees, registrars, paying agents, underwriters and accountants, and the cost of the preparation and printing of the Indenture, the preliminary and final official statement and such Bonds.

"Credit Support Instrument" means an irrevocable letter of credit, line of credit, insurance policy, guaranty or surety bond or similar instrument providing for the payment of or guaranteeing the payment of principal or purchase price of and interest on Bonds when due. Any such insurance policy, guaranty or surety bond or similar instrument shall be noncancellable during the term of the Bonds for which it is provided and must be issued by an insurer with a credit rating within the two highest full rating categories available generally to issuers of such insurance, guaranties or surety bonds from a nationally recognized rating service. Any obligation on the part of the issuer to purchase Bonds from their holders upon the completion of the term of such Credit Support Instrument shall be treated for these purposes as the conclusion of the term of that Bond. Any such letter of credit or line of credit must be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance, a credit rating on its long-term unsecured debt within the two highest full rating categories generally available to banking institutions from a nationally recognized rating service.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of October 1, 1985 among the Issuer, the Prior Trustee and The Indiana National Bank as Escrow Trustee providing for the payment of principal of and interest on the Refunded Bonds.

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*not* "~~Escrowed Municipals~~" means obligations of state or local governments secured by an irrevocable escrow of Federal Securities.

"Event of Default" means those events of default specified in and defined by Section 10.02 hereof.

"Federal Securities" means securities of the type described in item 1 of the definition of "Permitted Investments" in this Section 1.01.

"Fiscal Year" shall mean the period commencing on the first day of July of any year and ending on the last day of June of the next succeeding year or such other period as established by the Issuer from time to time.

"Fixed Rate Bond" means a Bond issued at or bearing a fixed rate or rates of interest.

"Indenture" means this Trust Indenture as the same may be amended, modified or supplemented by any amendments or modifications hereof and supplements hereto entered into in accordance with the provisions hereof.

"Interest Commencement Date", with respect to the Series A Special Term Bonds, means August 1, 1996.

"Issued Amount" means the initial value of the Series A Capital Appreciation Bonds at the date of issuance.

"Issuer" means The Trustees of Indiana University, a body corporate of the State of Indiana, or any successor entity.

"Maturity Amount" means the par value of the Series A Capital Appreciation Bonds at their stated maturity date.

"Maximum Annual Debt Service" means the highest Annual Debt Service Requirement for the current or any succeeding Fiscal Year.

"Optional Maturity" or "Optional Maturities" shall mean Parity Bonds which may, at the option of the owners thereof, be subject to payment, redemption or purchase by or on behalf of the Issuer.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash or investments but only to the extent that the full faith and credit of the United States of America are pledged to or secure the timely payment thereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in the manner and with the type of investments provided in Article XII hereof; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 2.05.

"Parity Bonds" means the Series A Bonds and all additional Bonds which are secured by a pledge, assignment and grant of and first lien and security interest against the Pledged Funds (except as otherwise provided in regard to the Reserve Fund).

"Permitted Investments" means, with respect to moneys held by the Trustee, any of the following which at the time are legal investments under the laws of Indiana for the moneys proposed to be invested therein:

(1) Direct obligations of or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) Escrowed Municipals;

(3) Bonds, debentures or notes or other evidences of indebtedness issued or guaranteed by any of the following agencies: Export-Import Bank of the United States; Federal National Mortgage Association; Government National Mortgage Association; Federal Financing Bank; Federal Intermediate Credit Bank; Bank for Cooperatives; Federal Land Bank; Federal Home Loan Bank; Farmers Home Administration; Federal Farm Credit Banks; and The Federal Home Loan Mortgage Association;

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~~(4) Certificates of deposit issued by or interest bearing time deposit accounts with banks or savings banks organized under the laws of the State of Indiana or the United States of America including the Trustee, which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, or which banks or savings banks, including the Trustee, have capital surplus and undivided profits in excess of \$50,000,000 (provided that no such deposit or certificate shall be in excess of 10% of such capital surplus and undivided profits, in either case); and~~

(5) Repurchase agreements with banks or other financial institutions, including the Trustee, which are fully collateralized by obligations described in clauses (1) or (3) based upon market value, which obligations are in the possession of the Trustee or its agent and are free and clear of all security interests, liens or other rights of any third party, and in which obligations the Trustee has a first, perfected security interest; provided that any financial institution which is a broker-dealer must be a member of the Securities Investor Protection Corporation.

*(6) See Seventh Supp. Ind. attachment*

"Pledged Funds" means Student Fees, the proceeds thereof, the Issuer's right to receive the same and all Funds held by the Trustee pursuant to this Indenture.

"Prior Indenture" or "1968 Indenture" means the indenture between the Issuer and the Prior Trustee dated as of August 1, 1968, and all amendments and supplements thereto.

"Prior Trustee" means The Indiana National Bank of Indianapolis (now The Indiana National Bank), as trustee under the Prior Indenture.

"Refunded Bonds" means the outstanding Indiana University Building Facility Fee Bonds, Series A through J, L through N and Advance Refunding Series K.

"Regular Record Date" means, with respect to the Series A Bonds, the fifteenth day of the month next preceding the applicable interest payment date and, for any future series of Bonds, the date established in the Supplemental Indenture authorizing the same.

"Reserve Fund" means the reserve fund established by Section 6.03 hereof.

"Reserve Fund Credit Instrument" means an insurance policy, guaranty or surety bond or irrevocable letter of credit which may be deposited in the Reserve Fund in lieu of or in partial substitution for cash or Permitted Investments to be on deposit therein. The company providing such insurance policy, guaranty or surety bond shall be an insurer which, at the time of issuance of the policy, guaranty or Bond, has been assigned the highest rating accorded insurers by Moody's Investors Service or any successor rating service, and the policy shall be subject to the irrevocable right of the Trustee to draw thereon in a timely fashion as needed and provided in Section 6.03 of the Indenture upon satisfaction of any conditions set forth in this Indenture. Any irrevocable letter of credit shall be made payable to and deposited with the Trustee and shall be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance, a credit rating on its long term unsecured debt within the two highest rating categories from a nationally recognized rating service. If the rating of any such banking institution, parent or holding corporation is downgraded below the two highest full rating categories or the letter of credit is otherwise terminated or not renewed by the issuer, then the issuer shall promptly either (i) direct the Trustee to draw on such letter of credit and deposit the proceeds of said drawing to the Reserve Fund in satisfaction of the Reserve Fund Requirement or (ii) otherwise provide funds for deposit into the Reserve Fund in satisfaction of the Reserve Fund Requirement.

"Reserve Fund Insurance" means, with respect to the Series A Bonds, the Reserve Fund Credit Instrument provided by the Reserve Fund Insurer.

~~"Reserve Fund Insurer" with respect to the Series A Bonds means Municipal Bond Insurance Association.~~

~~"Reserve Fund Requirement" means Maximum Annual Debt Service; provided that Debt Service Requirements on any Bonds which do not have access to or claims upon the Reserve Fund pursuant to Section 6.03 hereof shall be excluded from the calculation of the Reserve Fund Requirement, and provided further that for purposes of Maximum Annual Debt Service on any Variable Rate Bonds for which there is a Reserve Fund Requirement, notwithstanding the formula for calculation of interest on Variable Rate Bonds found in the definition of Annual Debt Service Requirement, interest on such Variable Rate Bonds shall be calculated at a rate equal to the rate quoted in the most recent issue of "The Bond Buyer" (or any successor publication thereto) on the sale date of any such Additional Bonds as the 25 Revenue Bonds index (or any successor index).~~

"Series A Bonds" means the Indiana University Student Fee Bonds, Series A, to be issued under this Indenture in the aggregate principal amount of One Hundred Forty One Million Nine Hundred Seventy Three Thousand Seven Hundred Fifty Two Dollars and Seventy Eight cents (\$141,973,752.78) and any bonds issued in substitution or replacement therefor.

"Series A Capital Appreciation Bonds" means any of the Series A Bonds maturing on August 1, 2006 and thereafter.

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**"Series A Special Term Bonds"** means the \$9,250,000 in aggregate principal amount of Series A, Bonds maturing on August 1, 2005 upon which interest accrual commences on the Interest Commencement Date.

**"Series A Expense Account"** means the account held by the Issuer from which costs of issuance of the Series A Bonds will be paid.

**"Student Fees"** means all academic fees (including tuition), however denominated, assessed by the Issuer against students attending Indiana University, except certain previously dedicated fees described in Exhibit A hereto and other fees released from the lien of this Indenture pursuant to Section 11.04 hereof.

**"Subordinated Bonds"** means those Additional Bonds issued hereunder which are subordinated pursuant to Section 4.02(c) to other Bonds as to principal and interest repayment.

**"Supplemental Indenture"** means any indenture between the Issuer and the Trustee entered into, pursuant to and in compliance with the provisions of Articles XII or XIII hereof.

**"Trustee"** means The Indiana National Bank and any successor trustee or co-trustee.

**"Variable Rate Bond"** means any Bond the interest rate on which, at the time of issuance, is not established at a fixed numerical rate or rates to stated maturity.

**"Written Request"** shall mean a request in writing signed by the President or other authorized officer of the Issuer.

(End of Article I)

## ARTICLE II

### Form, Execution, Authentication, Registration and Exchange of Bonds

Section 2.01. Form of Bonds. The Bonds issued under and secured by this Indenture shall be known as "Indiana University Student Fee Bonds", shall be unlimited as to aggregate principal amount at any one time outstanding subject to the restrictions and limitations of this Indenture as to the issuance thereof, and shall be issued from time to time in such series as the Issuer shall determine, each series to bear such designation as the Issuer shall determine. The Bonds and Trustee's certificate shall be substantially in the forms respectively set forth below for the Series A Bonds but, in the case of other series, with such omissions, insertions and variations as may be authorized or permitted by this Indenture or a Supplemental Indenture. The Bonds may contain such specifications or may have imprinted thereon such legends as the Issuer may deem appropriate and not inconsistent with the provisions of this Indenture. The Bonds shall be sold at a purchase price as determined in the Resolution authorizing the issuance thereof by the Issuer.

Section 2.02. Details of Bonds. The several subsequent series of Bonds may differ from the Series A Bonds, and also as between series, among other provisions provided for in the Supplemental Indenture authorizing the same in respect to:

- (a) Title as provided in Section 2.01 hereof;
- (b) Date;
- (c) Maturities and mandatory tenders and Optional Maturities, term or terms of Bonds and the determination thereof;
- (d) Interest rates and provisions, if any, for determining the interest rate to be borne on Variable Rate Bonds and provisions for non-interest bearing bonds as necessary;
- (e) Interest payment dates;
- (f) Denominations;
- (g) Provisions, if any, for transfer, registration and exchangeability including provisions for issuance of Bonds in book entry form;
- (h) Limitation on the aggregate principal amount of Bonds of such series which may be issued;
- (i) Provisions, if any, for redemption and terms and conditions thereof;
- (j) Designation of the place or places at which the Bonds and the interest thereon may be payable;
- (k) The purpose or purposes for which the Bonds of such series are being issued provided that the purpose shall be consistent with the Act;

(l) Provisions for the sale or other disposition of the Bonds and the use and application of the proceeds of such sale or other disposition;

(m) provisions, if any, governing insurance of the project to be financed;

(n) record date or dates;

(o) whether Additional Bonds are Subordinated Bonds or Parity Bonds;

(p) the respective form for each type of bond issued thereunder;

(q) provisions regarding funding the Reserve Fund and whether Additional Bonds have a claim on the Reserve Fund, all consistent with requirements of Sections 4.02 and 6.03 of this Indenture;

(r) provisions, if any, regarding the provision of a Credit Support Instrument or a Reserve Fund Credit Instrument;

(s) provisions allowing for or relating to different modes of operation for any series of Bonds;

(t) provisions governing methods of obtaining Bondholder consent to any amendments to such Supplemental Indenture affecting only such series of Bonds; and

(u) in any other respect not prohibited by the provisions of this Indenture.

In authorizing the issue of any series of Bonds, the Board of Trustees of the Issuer shall, by resolution, determine and specify all matters in respect to the Bonds of such series set forth in this Section 2.02 and shall also determine and specify the forms of the Bonds of such series.

**Section 2.03. Execution of Bonds.** The Bonds shall be signed on behalf of the Issuer by its President and its corporate seal shall be thereunto affixed (or a facsimile of the signature of the President of the Issuer or of said seal, or of both thereof, may be imprinted, engraved or otherwise reproduced thereon) and attested by the manual or facsimile signature of the Secretary of the Issuer, and thereupon shall be delivered to the Trustee for authentication as provided in this Indenture. Only upon fulfillment of any such requirements in the Indenture shall the Trustee authenticate and deliver the Bonds.

In case any officer of the Issuer who shall have signed or attested any of the Bonds or whose facsimile signature appears on the Bonds, shall cease to be such officer before such Bonds so signed or attested shall have been actually authenticated and delivered by the Trustee or issued by the Issuer, such Bonds may nevertheless be adopted by the Issuer and be issued, authenticated and delivered as though the person who signed or attested such Bonds had not ceased to be such officer.

Only such Bonds as shall bear thereon endorsed a certificate of authentication, substantially in the form hereinabove recited, signed by an authorized officer on behalf of the Trustee, shall be entitled to any security or benefit under this Indenture. No Bond shall be valid or become obligatory for any purpose or shall be entitled to any security or

benefit under this Indenture unless and until such certificate shall have been duly endorsed upon such Bond, and such authentication by the Trustee upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the security of this Indenture.

**Section 2.04. Registration and Exchange of Bonds; Persons Treated as Owners.** The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee which is hereby constituted and appointed the registrar of the Issuer. Upon surrender for transfer of any fully registered Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and the same maturity for a like aggregate principal amount or for a like aggregate amount of fully registered Bonds of other authorized denominations of the same series and the same maturity. The Bonds may be exchanged without cost to the Bondholders, except for any tax or governmental charge required to be paid with respect to the exchange. The execution by the Issuer of any fully registered Bond of any denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Bond. The Trustee shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond for redemption has been made, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

Bonds surrendered for payment or redemption or as a result of any Optional Maturity or mandatory tender and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer shall be promptly cancelled and destroyed by the Trustee. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds so destroyed.

As to any fully registered Bond, 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 either principal or interest thereon, 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 hereinabove 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.

**Section 2.05. Replacement of Mutilated, Destroyed, Lost or Stolen Bonds.** In case any Bond shall become mutilated or be destroyed, lost or stolen, the Issuer in its discretion may execute, and upon its request the Trustee shall authenticate and deliver, a new Bond of the same series and of like tenor, bearing the same or a different serial number, in exchange and substitution for, and upon cancellation of, the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost or stolen. The applicant for a Bond in lieu of one lost, destroyed or stolen shall furnish to the Issuer and the Trustee evidence of ownership and of the loss, destruction or theft thereof, which evidence shall be satisfactory to the Issuer and the Trustee in their discretion; and any applicant for a new Bond shall also furnish indemnity satisfactory to both of them in their discretion, and shall pay, if demanded, to the Issuer an amount sufficient to reimburse it for the expense incurred in such issue.

(End of Article II)



## ARTICLE III

### The Series A Bonds

Section 3.01. Terms of Series A Bonds. (a) The Issuer shall execute and deliver, and the Trustee shall authenticate, the Series A Bonds in the aggregate principal amount of not more than One Hundred Forty One Million Nine Hundred Seventy Three Thousand Seven Hundred Fifty Two Dollars and Seventy Eight Cents (\$141,973,752.78), except as provided in Section 2.05 hereof. The Series A Bonds shall bear the descriptive title "Indiana University Student Fee Bonds, Series A." The Series A Bonds will consist of Fifty Eight Million Three Hundred Twenty Five Thousand Dollars (\$58,325,000) aggregate principal amount of serial Series A Bonds, Sixty Five Million Seven Hundred Forty Thousand (\$65,740,000) aggregate principal amount of regular term Series A Bonds, Nine Million Two Hundred Fifty Thousand Dollars (\$9,250,000) in aggregate principal amount (sold at discount) of Series A Special Term Bonds and Eight Million Six Hundred Fifty-eight Thousand Seven Hundred Fifty-two Dollars and Seventy-eight Cents (\$8,658,752.78) in aggregate Issued Amount of Series A Capital Appreciation Bonds and Seventy Six Million Seven Hundred Thousand Dollars (\$76,700,000) in aggregate Maturity Amount of Series A Capital Appreciation Bonds.

(b) The Series A Bonds (other than Series A Capital Appreciation Bonds) shall be in the denomination of Five Thousand Dollars (\$5,000) or whole multiples thereof. The Series A Capital Appreciation Bonds shall be issued in Maturity Amounts of Five Thousand Dollars (\$5,000 or whole multiples thereof. The Series A Bonds (other than Series A Capital Appreciation Bonds and Series A Special Term Bonds) shall be numbered from A-1 upwards with Series A Special Term Bonds being numbered from A-ST-1 upwards and Series A Capital Appreciation Bonds being numbered A-CAB-1 upwards. The Series A Bonds shall be issuable as fully registered bonds and shall not be registrable to bearer. Series A Bonds (other than the Series A Capital Appreciation Bonds and the Series A Special Term Bonds) shall be dated as of October 1, 1985. The Series A Capital Appreciation Bonds and the Series A Special Term Bonds will be dated as of the date of initial delivery thereof.

(c) Each Series A Bond other than Series A Capital Appreciation Bonds and Series A Special Term Bonds shall bear interest from the interest payment date next preceding the date on which it is authenticated and delivered unless it is (a) authenticated after a Regular Record Date and on or before the following interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated and delivered prior to the closing of business on the Regular Record Date preceding the first interest payment date, in which event it shall bear interest from October 1, 1985; provided, however, that if at the time of authentication of any Series A Bond interest is in default, such Series A Bond shall bear interest from the date to which interest has been paid. Each Series A Special Term Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated and delivered unless it is (a) authenticated after a Regular Record Date and on or before the regular interest payment date, in which event it shall bear interest from such interest payment date or (b) authenticated and delivered prior to the closing of business on the Regular Record Date preceding February 1, 1997, in which case it shall bear interest from August 1, 1996; provided, however, if at the time of authentication of any Series A Special Term Bond interest is in default, such Bond shall bear interest from the date to which interest has been paid.

(d) Interest on the Series A Bonds other than the Series A Capital Appreciation Bonds shall be payable semiannually on February 1 and August 1 of each year, beginning on February 1, 1986 for the serial and regular term Series A Bonds and on February 1, 1997 for the Series A Special Term Bonds. The Series A Bonds other than the Series A Capital Appreciation Bonds shall bear interest at the rates and shall mature (subject to prior redemption as hereinafter provided) on August 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
1995	\$ 8,410,000	8.25%	100%
1996	9,180,000	8.40	100
1997	9,030,000	8.70	100
1998	9,815,000	9.00	100
1999	10,715,000	9.00	100
2000	11,175,000	9.10	100
2005	65,740,000	9.40	99
and	9,250,000	9.875	35.66*

\*Series A Special Term Bonds

(e) The Series A Capital Appreciation Bonds will be issued in the Issued Amount of Eight Million Six Hundred Thousand Seven Hundred Fifty Two Dollars and seventy eight cents (\$8,658,752.78) and the Maturity Amount of Seventy Six Million Seven Hundred Thousand Dollars (\$76,700,000), will mature on August 1 in the year and in the amounts as set forth below and shall accrete over time equal to the Compounded Amount:

<u>Year</u>	<u>Issued Amount</u>	<u>Maturity Amount</u>	<u>Yield</u>	<u>Price</u>
2006	\$2,614,249.07	\$19,700,000	10.0%	100%
2007	2,322,716.64	19,700,000	10.10	100
2008	2,017,966.80	19,300,000	10.20	100
2009	1,703,820.27	18,000,000	10.20	100

Section 3.02. Form of Series A Bonds. The form of the Series A Bonds other than the Series A Capital Appreciation Bonds and Series A Special Term Bonds, the Trustee's certificate to be endorsed thereon and the registration endorsement, shall be substantially as follows:

(Form of Serial and Term Bonds)

UNITED STATES OF AMERICA  
 THE TRUSTEES OF INDIANA UNIVERSITY  
 INDIANA UNIVERSITY STUDENT FEE BOND,  
 SERIES A

State of Indiana

County of Monroe

No. A- \_\_\_\_\_

<u>Interest</u> <u>Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
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Registered Owner:

Principal Sum:

The Trustees of Indiana University (the "Issuer"), a body corporate of the State of Indiana, for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns, solely out of the Student Fees and other amounts pledged under the Indenture hereinafter referred to (hereinafter referred to as "Pledged Funds"), the Principal Sum stated above on the Maturity Date stated above, and to pay interest thereon to the Maturity Date stated above (unless this Bond shall have been duly called for prior redemption and payment provided therefor), solely from such Pledged Funds. This Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated and delivered (such date of authentication and delivery being the "Authentication Date" stated above) unless (a) it is authenticated and delivered after the fifteenth day of the month next preceding the month of the next interest payment date in which event it shall bear interest from such interest payment date, or (b) it is issued prior to January 16, 1986, in which event it shall bear interest from October 1, 1985 (the "Dated Date"). Such interest shall be payable to the Registered Owner or registered assigns appearing on the registration books maintained by the bond registrar as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date, at the Interest Rate per annum stated above, payable semi-annually on February 1 and August 1 in each year, commencing on the first February 1 or August 1 following the Authentication Date stated above.

The principal of this Bond is payable in such coin or currency which, on the dates of payment, is legal tender for the payment of debts due the United States of America, at the principal corporate trust office of The Indiana National Bank, in the City of Indianapolis, Indiana. The interest is payable by check or draft drawn on the Trustee and mailed to the registered owner hereof.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF DULY SET FORTH HEREIN.

(Reverse of Bond)

This bond is one of a series of bonds issued under the Trust Indenture (the "Indenture"), dated as of October 1, 1985, from the Issuer to The Indiana National Bank, as Trustee (the "Trustee"), designated "Indiana University Student Fee Bonds, Series A," dated October 1, 1985, and issued in the aggregate principal amount of One Hundred Forty One Million Nine Hundred Seventy Three Thousand Seven Hundred Fifty Two Dollars and seventy eight cents (\$141,973,752.78) (the "Series A Bonds"), comprised of Fifty Eight Million Three Hundred Twenty Five Thousand Dollars (\$58,325,000) in serial Series A Bonds, Sixty Five Million Seven Hundred Forty Thousand Dollars (\$65,740,000) in regular term Series A Bonds, \$9,250,000 in aggregate principal amount of Series A

Special Term Bonds and Eight Million Six Hundred Fifty Eight Thousand Seven Hundred Fifty Two Dollars and seventy eight cents (\$8,658,752.78) in aggregate Issued Amount of Series A Capital Appreciation Bonds with a Maturity Amount of said Series A Capital Appreciation Bonds of Seventy Six Million Seven Hundred Thousand Dollars (\$76,700,000). The Series A Bonds are issued for the purpose of providing funds to be applied by the Issuer to the cost of (i) the advance refunding of all of the Issuer's Outstanding Building Facility Fee Bonds (as defined in the Indenture) (the "Refunded Bonds"), (ii) to purchase debt service reserve insurance, and (iii) to pay related expenses in connection with the issuance of the Series A Bonds and the advance refunding of the Refunded Bonds. The Series A Bonds and subsequent Parity Bonds are payable only from and secured solely by Student Fees (as defined in the Indenture) derived from the students of Indiana University and certain other Pledged Funds as defined in the Indenture. It is provided in the Indenture that the Issuer may hereafter issue additional bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein, and if issued, such Additional Bonds may either be Parity Bonds which will rank *pari passu* with the Series A Bonds or be Subordinated Bonds in regard to the principal thereof and interest thereon (the Series A Bonds and the Additional Bonds are collectively referred to as the "Bonds").

This Series A Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Series A Bond. Upon such transfer a new registered Series A Bond or Bonds of the same series, the same interest rate and the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee shall not be required to transfer or exchange this Series A Bond after the mailing of notice calling this Series A Bond for redemption has been made, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Series A Bonds.

The Issuer and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. The Series A Bonds other than the Series A Capital Appreciation Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any whole multiple thereof. The Series A Bonds may not be registered to bearer. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of the same series, the same interest rate and the same maturity of authorized denominations.

The Series A Bonds other than the Series A Capital Appreciation Bonds or Series A Special Term Bonds maturing on or after August 1, 1996 are redeemable in whole at any time or in part on any interest payment date (less than all of said Series A Bonds to be selected by lot in such manner as may be designated by the Trustee), on August 1, 1995, or thereafter at the option of Issuer at 100% of the principal amount thereof, plus the following premiums:

- 1% if redeemed on August 1, 1995, or thereafter on or before July 31, 1996;

1/2% if redeemed on August 1, 1996, or  
thereafter on or before July 31, 1997;

0% if redeemed on August 1, 1997 or thereafter

and in each case with accrued interest to the date fixed for redemption.

The Series A Special Term Bonds and the Series A Capital Appreciation Bonds are also subject to optional redemption prior to maturity as provided in the Indenture.

In addition and subject to the provisions of the Indenture permitting amounts to be credited toward a part of all of any one or more sinking fund payments, the Series A Bonds maturing on August 1, 2005, other than the Series A Special Term Bonds, are subject to redemption in part through application of mandatory sinking fund payments as provided in the Indenture beginning on August 1, 2001 at a redemption price equal to 100% of the principal amount of the Series A Bonds or portions thereof to be so redeemed as shown in the following table together with accrued interest to the date of redemption:

<u>August 1 of the Year</u>	<u>Amount</u>
2001	\$12,425,000
2002	13,565,000
2003	14,825,000
2004	16,205,000
2005	8,720,000*

\* Final Maturity

In the event any of the Series A Bonds are called for redemption as aforesaid, notice thereof identifying the Series A Bonds to be redeemed will be given upon mailing a copy of the redemption notice by registered or certified mail not less than thirty days nor more than forty-five days prior to the date fixed for redemption to the registered owner of the Series A Bonds to be redeemed at the address shown on the registration books and, in the case of optional redemption, notice of redemption shall also be published at least once in a newspaper or financial journal of general circulation published in New York, New York not less than thirty days nor more than forty-five days prior to the redemption date; provided, however, that failure to give such notice by mailing or publication, or any defect therein with respect to any Series A Bond, shall not affect the validity of any proceedings for the redemption of other Series A Bonds, and failure to give notice by publication shall not affect the validity of any proceeding for redemption of any Series A Bonds.

All Series A Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture. If, for any reason, it is impossible or impractical to mail such notice of call for redemption in the manner herein provided, then such mailing in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient notice.

This Series A Bond, and all other Bonds other than Subordinated Bonds, together with the interest thereon, according to their tenor and effect, are equally secured, without preference, priority or distinction, as to the lien or otherwise of one Bond over another, by the Indenture pledging the Pledged Funds, to which Indenture reference is hereby made for a description of the property so pledged, the nature and extent of the security, and the rights of the holders of the Series A Bond.

This Series A Bond and the issue of which it is a part are issued pursuant to the provisions of Indiana Code 20-12-6, as supplemented by Indiana Code 5-1-5 (collectively, the "Act"), and as provided in the Act, the Issuer shall not be obligated to pay this Series A Bond or the other Series A Bonds, or the interest thereon, except from said Pledged Funds, and no recourse shall be had for the payment of the principal or interest thereof against the State of Indiana or the Issuer or against the property or funds of the State of Indiana or the Issuer, except to the extent of the Pledged Funds.

The registered owner of this Series A Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture, or of any supplements thereto, may be made to the extent and in the circumstances permitted by the Indenture.

(Front of Bond)

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the laws of the State of Indiana and under the Indenture precedent to and in the issuance of this Series A Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series A Bond have been duly authorized by a resolution duly adopted by the Issuer.

This Series A Bond shall not be a valid obligation until authenticated by the Trustee, or its successor in trust, by execution of the Trustee's certificate endorsed hereon.

IN WITNESS WHEREOF, The Trustees of Indiana University have caused this Series A Bond to be executed in the name of the Issuer and in its behalf by the facsimile of the signature of the President or Vice President of the Issuer, a facsimile of the corporate seal of the Issuer to be hereunto attached and attested by the facsimile signature of the Secretary or Assistant Secretary of the Issuer, as of the Dated Date set forth above.

THE TRUSTEES OF INDIANA UNIVERSITY

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

THE INDIANA NATIONAL BANK,  
as Trustee

By \_\_\_\_\_  
Authorized Officer

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

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right of  
survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors

Act \_\_\_\_\_  
(State)

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

ASSIGNMENT

For value received, the undersigned hereby sells and transfers unto  
\_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

the within bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_  
attorney-in-fact to transfer the said Bond with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

NOTICE: Signature(s) must be  
guaranteed by a registered  
broker-dealer or a commercial  
bank or trust company.

Registered Owner  
(NOTE: The signature above must  
correspond with the name of the  
Registered Owner as it appears on the  
front of this bond in every particular  
without alteration or enlargement or  
any change whatsoever.)

Section 3.03. Form of Series A Capital Appreciation Bonds. The form of the Series  
A Capital Appreciation Bonds, the Trustee's certificate to be endorsed thereon and the  
registration endorsement shall be substantially as follows:

(Form of Series A Capital Appreciation Bond)

UNITED STATES OF AMERICA  
THE TRUSTEES OF INDIANA UNIVERSITY  
INDIANA UNIVERSITY STUDENT FEE BOND  
SERIES A  
(Capital Appreciation Bond)

State of Indiana

County of Monroe

No. A-CAB-

<u>Interest</u> <u>Rate</u>	<u>Issued</u> <u>Amount</u> <u>per \$5,000</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>Authentication</u> <u>Date</u>	<u>CUSIP</u>
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Registered Owner:

Maturity Amount:



The Trustees of Indiana University (the "Issuer"), a body corporate of the State of Indiana, for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns, solely out of the Student Fees and other amounts pledged under the Indenture hereinafter referred to (hereinafter referred to as "Pledged Funds"), the Maturity Amount specified above on the Maturity Date specified above unless redeemed earlier at the Compounded Amount as hereinafter provided. The amount of interest payable on this Bond at maturity or upon earlier redemption (as hereinafter described) is the amount of interest accrued from the Dated Date hereof on the total Issued Amount hereof at an interest rate equal to the Interest Rate per annum set forth above, compounded semiannually on each February 1 and August 1, commencing February 1, 1986. This Bond is payable in such coin or currency which, on the date of payment, is legal tender for the payment of debts due the United States of America, at the principal corporate trust office of The Indiana National Bank, in the City of Indianapolis, Indiana.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF DULY SET FORTH HEREIN.

(Reverse of Bond)

This Series A Capital Appreciation Bond is one of a series of bonds issued under the Trust Indenture (the "Indenture"), dated as of October 1, 1985, from the Issuer to The Indiana National Bank, as Trustee (the "Trustee"), designated "Indiana University Student Fee Bonds, Series A," dated October 1, 1985, and issued in the aggregate principal amount of One Hundred Forty One Million Nine Hundred Seventy Three Thousand Seven Hundred Fifty Two Dollars and seventy eight cents (\$141,973,752.78) (the "Series A Bonds"), comprised of Fifty Eight Million Three Hundred Twenty Five Thousand Dollars (\$58,325,000) in serial Series A Bonds, Sixty Five Million Seven Hundred Forty Thousand Dollars (\$65,740,000) in regular term Series A Bonds, \$9,250,000 in aggregate principal amount of Series A Special Term Bonds and in aggregate Issued Amount of Eight Million Six Hundred Fifty Eight Thousand Seven Hundred Fifty Two Dollars and seventy eight cents (\$8,658,752.78) of Series A Capital Appreciation Bonds with a Maturity Amount of said Series A Capital Appreciation Bonds of Seventy Six Million Seven Hundred Thousand Dollars (\$76,700,000). The Series A Bonds are issued for the purpose of providing funds to be applied by the Issuer to the cost of (i) the advance refunding of all of the Issuer's Outstanding Building Facility Fee Bonds (as defined in the Indenture) (the "Refunded Bonds"), (ii) to purchase debt service reserve insurance, and (iii) to pay related expenses in connection with the issuance of the Series A Bonds and the advance refunding of the Refunded Bonds. The Series A Bonds and subsequent Parity Bonds are payable only from and secured solely by Student Fees (as defined in the Indenture) derived from the students of Indiana University and certain other Pledged Funds as defined in the Indenture. It is provided in the Indenture that the Issuer may hereafter issue additional bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein, and if issued, such Additional Bonds may either be Parity Bonds which will rank pari passu with the Series A Bonds or be Subordinated Bonds in regard to the principal thereof and interest thereon (the Series A Bonds and the Additional Bonds are collectively referred to as the "Bonds").

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges

provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee shall not be required to transfer or exchange this Bond after the mailing of notice calling this Bond for redemption has been made, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The Issuer and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

The Series A Capital Appreciation Bonds are subject to redemption prior to maturity at the option of the Issuer on or after August 1, 2000, in whole at any time or in part on any payment date at the following redemption prices (expressed as percentages of the Compounded Amount as set forth on the following schedule of Bonds to be redeemed).

<u>Redemption Period</u>	<u>Redemption Price</u>
August 1, 2000 to and including July 31, 2001	103%
August 1, 2001 to and including July 31, 2002	102%
August 1, 2002 to and including July 31, 2003	101%
August 1, 2003	100%

If fewer than all of the Series A Capital Appreciation Bonds are to be redeemed, the Trustee will select the particular Bond or portion thereof to be redeemed. The portion of any Series A Capital Appreciation Bond of a Maturity Amount of more than \$5000 will be in the Maturity Amount of \$5000 or an integral multiple of that sum.

The Series A Bonds other than Series A Capital Appreciation Bonds are also subject to optional (and in some cases mandatory) redemption prior to maturity all as provided in the Indenture.

In the event any of the Series A Bonds are called for redemption as aforesaid, notice thereof identifying the Series A Bonds to be redeemed will be given upon mailing a copy of the redemption notice by registered or certified mail not less than thirty days nor more than forty-five days prior to the date fixed for redemption to the registered owner of the Series A Bonds to be redeemed at the address shown on the registration books and, in the case of optional redemption, notice of redemption shall also be published at least once in a newspaper or financial journal of general circulation published in New York not less than thirty days nor more than forty-five days prior to the redemption date; provided, however, that failure to give such notice by mailing or publication, or any defect therein with respect to any Series A Bond, shall not affect the

validity of any proceedings for the redemption of other Series A Bonds, and failure to give notice by publication shall not affect the validity of any proceeding for redemption of any Series A Bonds.

All Series A Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture. If, for any reason, it is impossible or impractical to mail such notice of call for redemption in the manner herein provided, then such mailing in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient notice.

This Series A Bond, and all other Bonds other than Subordinated Bonds, together with the interest thereon, according to their tenor and effect, are equally secured, without preference, priority or distinction, as to the lien or otherwise of one Bond over another, by the Indenture pledging the Pledged Funds, to which Indenture reference is hereby made for a description of the property so pledged, the nature and extent of the security, and the rights of the holders of the Series A Bonds.

This Series A Bond and the issue of which it is a part are issued pursuant to the provisions of Indiana Code 20-12-6, as supplemented by Indiana Code 5-1-5 (collectively, the "Act"), and as provided in the Act, the Issuer shall not be obligated to pay this Series A Bond or the other Series A Bonds, or the interest thereon, except from said Pledged Funds, and no recourse shall be had for the payment of the principal or interest thereof against the State of Indiana or the Issuer or against the property or funds of the State of Indiana or the Issuer, except to the extent of the Pledged Funds.

The registered owner of this Series A Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture, or of any supplements thereto, may be made to the extent and in the circumstances permitted by the Indenture.

Compounded Amount (per \$5,000 at Maturity of Bonds)  
of Capital Appreciation Bonds due August 1,

Year	2006		2007	
	February 1	August 1	February 1	August 1
1986	\$ 676.41	\$ 710.23	\$ 601.09	\$ 631.45
1987	745.74	783.03	663.33	696.83
1988	822.18	863.29	732.02	768.99
1989	906.45	951.77	807.83	848.62
1990	999.36	1,049.33	891.47	936.49
1991	1,101.80	1,156.89	983.78	1,033.47
1992	1,214.73	1,275.47	1,085.66	1,140.48
1993	1,339.24	1,406.20	1,198.08	1,258.58
1994	1,476.51	1,550.34	1,322.14	1,388.90
1995	1,627.86	1,709.25	1,459.04	1,532.73
1996	1,794.71	1,884.45	1,610.13	1,691.44

1997	1,978.67	2,077.60	1,776.86	1,866.59
1998	2,181.48	2,290.56	1,960.85	2,059.88
1999	2,405.09	2,525.34	2,163.90	2,273.18
2000	2,651.61	2,784.19	2,387.97	2,508.56
2001	2,923.40	3,069.57	2,635.25	2,768.33
2002	3,233.04	3,384.20	2,908.13	3,054.99
2003	3,553.41	3,731.08	3,209.26	3,371.33
2004	3,917.63	4,113.51	3,541.58	3,720.43
2005	4,319.19	4,535.15	3,908.32	4,105.69
2006	4,761.90	5,000.00	4,313.02	4,530.83
2007	-	-	4,759.64	5,000.00
2008	-	-	-	-
2009	-	-	-	-

Compounded Amount (per \$5,000 at Maturity of Bonds)  
of Capital Appreciation Bonds due August 1,

Year	2008		2009	
	February 1	August 1	February 1	August 1
1986	\$ 533.15	\$ 560.34	\$ 482.66	\$ 507.28
1987	588.92	618.95	533.15	560.34
1988	650.52	683.69	588.92	618.95
1989	718.56	755.21	650.52	683.69
1990	999.36	1,049.33	891.47	936.49
1991	876.75	921.46	793.72	834.20
1992	968.46	1,017.85	876.75	921.46
1993	1,069.76	1,124.32	968.46	1,017.85
1994	1,181.66	1,241.92	1,069.76	1,124.32
1995	1,305.26	1,371.83	1,181.66	1,241.92
1996	1,441.79	1,515.32	1,305.26	1,371.83
1997	1,592.60	1,673.83	1,441.79	1,515.32
1998	1,759.19	1,848.91	1,592.60	1,673.83
1999	1,943.20	2,042.31	1,759.19	1,848.91
2000	2,146.47	2,255.93	1,943.20	2,042.31
2001	2,370.99	2,491.91	2,146.47	2,255.93
2002	2,619.00	2,752.56	2,370.99	2,491.91
2003	2,882.94	3,040.48	2,619.00	2,752.56
2004	3,195.55	3,358.52	2,892.94	3,040.48
2005	3,529.81	3,709.83	3,195.55	3,358.52
2006	3,899.03	4,097.88	3,529.81	3,709.83
2007	4,306.87	4,526.52	3,899.03	4,097.88
2008	4,757.37	5,000.00	4,306.87	4,526.52
2009	-	-	4,757.37	5,000.00

(Front of Bond)

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the laws of the State of Indiana and under the Indenture precedent to and in the issuance of this Series A Bond, exist, have happened and have

been performed, and that the issuance, authentication and delivery of this Series A Bond have been duly authorized by a resolution duly adopted by the Issuer.

This Series A Bond shall not be a valid obligation until authenticated by the Trustee, or its successor in trust, by execution of the Trustee's certificate endorsed hereon.

IN WITNESS WHEREOF, The Trustees of Indiana University have caused this Series A Bond to be executed in the name of the Issuer and in its behalf by the facsimile of the signature of the President or Vice President of the Issuer, a facsimile of the corporate seal of the Issuer to be hereunto attached and attested by the facsimile signature of the Secretary or Assistant Secretary of the Issuer, as of the Dated Date set forth above.

THE TRUSTEES OF INDIANA UNIVERSITY

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

THE INDIANA NATIONAL BANK, as Trustee

By \_\_\_\_\_  
Authorized Officer

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

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right of  
survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors

Act \_\_\_\_\_  
(State)

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

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Transferee)

the within bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_  
attorney-in-fact, to transfer the said Bond with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be  
guaranteed by a registered  
broker-dealer or a commercial  
bank or trust company.

\_\_\_\_\_  
Registered Owner  
(NOTE: The signature above must  
correspond with the name of the  
Registered Owner as it appears on  
the front of this bond in every particular  
without alteration or enlargement or  
any change whatsoever.)

Section 3.04. Form of Special Term Bonds. The form of the Series A Special Term  
Bonds, the Trustee's certificate to be endorsed thereon and the registration endorsement,  
shall be substantially as follows:

(Form of Series A Special Term Bonds)

UNITED STATES OF AMERICA  
 THE TRUSTEES OF INDIANA UNIVERSITY  
 INDIANA UNIVERSITY STUDENT FEE BOND,  
 SERIES A  
 (Special Term Bond)

State of Indiana

County of Monroe

No. A-ST-\_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Interest Commencement Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
0%/9.875%	August 1, 2005	August 1, 1996		

Registered Owner:

Principal Sum at Maturity:

The Trustees of Indiana University (the "Issuer"), a body corporate of the State of Indiana, for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns, solely out of the Student Fees and other amounts pledged under the Indenture hereinafter referred to (hereinafter referred to as "Pledged Funds"), the Principal Sum stated above on the Maturity Date stated above, and to pay interest thereon to the Maturity Date stated above (unless this Bond shall have been duly called for prior redemption and payment provided therefor), solely from such Pledged Funds. This Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated and delivered (such date of authentication and delivery being the "Authentication Date" stated above) unless (a) it is authenticated and delivered after the fifteenth day of the month next preceding the month of the next interest payment date in which event it shall bear interest from such interest payment date, or (b) it is authenticated and delivered prior to January 16, 1997, in which event it shall bear interest from August 1, 1996 (the "Interest Commencement Date"). Interest on this Special Term Bond will be compounded until the Interest Commencement Date as described more fully on the reverse hereof. Current interest shall be payable to the Registered Owner or registered assigns appearing on the registration books maintained by the bond registrar as of the close of business on the 15th day of the calendar month next preceding the applicable interest payment date, at the Interest Rate per annum stated above, payable semi-annually on February 1 and August 1 in each year, commencing on February 1, 1997.

The principal of this Bond is payable in such coin or currency which, on the dates of payment, is legal tender for the payment of debts due the United States of America, at the principal corporate trust office of The Indiana National Bank, in the City of Indianapolis, Indiana. Current interest is payable by check or draft drawn on the Trustee and mailed to the registered owner hereof.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF DULY SET FORTH HEREIN.

(Reverse of Bond)

This Series A Special Term Bond is one of a series of bonds issued under the Trust Indenture (the "Indenture"), dated as of October 1, 1985, from the Issuer to The Indiana National Bank, as Trustee (the "Trustee"), designated "Indiana University Student Fee Bonds, Series A," dated October 1, 1985, and issued in the aggregate principal amount of One Hundred Forty One Million Nine Hundred Seventy Three Thousand Seven Hundred Fifty Two Dollars and Seventy Eight Cents (\$141,973,752.78) (the "Series A Bonds"), comprised of Fifty Eight Million Three Hundred Twenty Five Thousand Dollars (\$58,325,000) in serial Series A Bonds, Sixty Five Million Seven Hundred Forty Thousand Dollars (\$65,740,000) in term Series A Bonds, \$9,250,000 in regular aggregate principal amount of Series A Special Term Bonds and Eight Million Six Hundred Fifty Eight Thousand One Hundred Fifty Two Dollars and Seventy Eight Cents (\$8,658,152.78) in aggregate issued amount of Series A Capital Appreciation Bonds with a Maturity Amount of said Series A Capital Appreciation Bonds of Seventy Six Million Seven Hundred Thousand Dollars (\$76,700,000). The Series A Bonds are issued for the purpose of providing funds to be applied by the Issuer (i) to the cost of the advance refunding of all of the Issuer's Outstanding Building Facility Fee Bonds (as defined in the Indenture) (the "Refunded Bonds"), (ii) to purchase debt service reserve insurance, and (iii) to pay related expenses in connection with the issuance of the Series A Bonds and the advance refunding of the Refunded Bonds. The Series A Bonds and subsequent Parity Bonds are payable only from and secured solely by Student Fees (as defined in the Indenture) derived from the students of Indiana University and certain other Pledged Funds as defined in the Indenture. It is provided in the Indenture that the Issuer may hereafter issue additional bonds (the "Additional Bonds") from time to time under certain terms and conditions contained therein, and if issued, such Additional Bonds may either be Parity Bonds which will rank pari passu with the Series A Bonds or be Subordinated Bonds in regard to the principal thereof and interest thereon (the Series A Bonds and the Additional Bonds are collectively referred to as the "Bonds").

This Series A Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Series A Bond. Upon such transfer a new registered Series A Bond or Bonds of the same series and the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee shall not be required to transfer or exchange this Series A Bond after the mailing of notice calling this Series A Bond for redemption has been made, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Series A Bonds.

The Issuer and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. The Series A Bonds other than the Series A Capital Appreciation Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any whole multiple thereof. The Series



A Bonds may not be registered to bearer. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of the same series and the same maturity of authorized denominations.

Until the Interest Commencement Date, interest on this Special Term Bond will be compounded semiannually (as described on the following table) from the initial public offering price hereof at a rate of 9.875% per annum. Such interest (i.e., in the case of a holder from original delivery of the Bonds to maturity or earlier redemption, that portion of the Principal Amount hereof in excess of the initial public offering price) shall be payable at maturity or earlier redemption.

<u>Year</u>	<u>Compound Accreted Values</u> <u>(per \$5,000 payable at</u> <u>maturity) of Special Term</u> <u>Bonds due August 1, 2005</u>	
	<u>February 1</u>	<u>August 1</u>
1986	\$1,817.29	\$1,907.02
1987	2,001.18	2,099.99
1988	2,203.68	2,312.48
1989	2,426.66	2,546.48
1990	2,672.21	2,804.15
1991	2,942.61	3,087.90
1992	3,240.36	3,400.36
1993	3,568.25	3,744.43
1994	3,929.31	4,123.32
1995	4,326.91	4,540.55
1996	4,764.74	5,000.00

The Series A Special Term Bonds are redeemable in whole at any time or in part on any interest payment date (less than all of said Bonds to be selected by lot in such manner as may be designated by the Trustee), on August 1, 1998, or thereafter at the option of Issuer at 100% of the principal amount thereof, plus the following premium:

1% if redeemed on August 1, 1998, or  
thereafter on or before July 31, 1999;

0% if redeemed on August 1, 1999, or thereafter.

and in each case with accrued interest to the date fixed for redemption.

The Series A Bonds other than Series A Special Term Bonds are also subject to redemption as provided in the indenture.

In the event any of the Series A Bonds are called for redemption as aforesaid, notice thereof identifying the Series A Bonds to be redeemed will be given upon mailing a copy of the redemption notice by registered or certified mail not less than thirty days nor more than forty-five days prior to the date fixed for redemption to the registered

owner of the Series A Bonds to be redeemed at the address shown on the registration books and, in the case of optional redemption, notice of redemption shall also be published at least once in a newspaper or financial journal of general circulation published in New York, New York not less than thirty days nor more than forty-five days prior to the redemption date; provided, however, that failure to give such notice by mailing or publication, or any defect therein with respect to any Series A Bond, shall not affect the validity of any proceedings for the redemption of other Series A Bonds, and failure to give notice by publication shall not affect the validity of any proceeding for redemption of any Series A Bonds.

All Series A Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture. If, for any reason, it is impossible or impractical to mail such notice of call for redemption in the manner herein provided, then such mailing in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient notice.

This Series A Bond, and all other Bonds other than Subordinated Bonds, together with the interest thereon, according to their tenor and effect, are equally secured, without preference, priority or distinction, as to the lien or otherwise of one Bond over another, by the Indenture pledging the Pledged Funds, to which Indenture reference is hereby made for a description of the property so pledged, the nature and extent of the security, and the rights of the holders of the Series A Bond.

This Series A Bond and the issue of which it is a part are issued pursuant to the provisions of Indiana Code 20-12-6, as supplemented by Indiana Code 5-1-5 (collectively, the "Act"), and as provided in the Act, the Issuer shall not be obligated to pay this Series A Bond or the other Series A Bonds, or the interest thereon, except from said Pledged Funds, and no recourse shall be had for the payment of the principal or interest thereof against the State of Indiana or the Issuer or against the property or funds of the State of Indiana or the Issuer, except to the extent of the Pledged Funds.

The registered owner of this Series A Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. Modifications or alterations of the Indenture, or of any supplements thereto, may be made to the extent and in the circumstances permitted by the Indenture.

(Front of Bond)

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the laws of the State of Indiana and under the Indenture precedent to and in the issuance of this Series A Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series A Bond have been duly authorized by a resolution duly adopted by the Issuer.

This Series A Bond shall not be a valid obligation until authenticated by the Trustee, or its successor in trust, by execution of the Trustee's certificate endorsed hereon.

IN WITNESS WHEREOF, The Trustees of Indiana University have caused this Series A Bond to be executed in the name of the Issuer and in its behalf by the facsimile of the signature of the President or Vice President of the Issuer, a facsimile of the corporate seal of the Issuer to be hereunto attached and attested by the facsimile signature of the Secretary or Assistant Secretary of the Issuer, as of the date of initial delivery of the Series A Bonds.

THE TRUSTEES OF INDIANA UNIVERSITY

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

THE INDIANA NATIONAL BANK,  
as Trustee

By \_\_\_\_\_  
Authorized Officer

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

TEN COM - as tenants in common  
TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right of  
survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors

Act \_\_\_\_\_  
(State)

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

**ASSIGNMENT**

For value received, the undersigned hereby sells and transfers unto  
\_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF ASSIGNEE  
\_\_\_\_\_

the within bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_  
attorney-in-fact to transfer the said Bond with full powers of substitution in the  
premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

NOTICE: Signature(s) must be  
guaranteed by a registered  
broker-dealer or a commercial  
bank or trust company.

Registered Owner  
(NOTE: The signature above must  
correspond with the name of the  
Registered Owner as it appears on the  
front of this bond in every particular  
without alteration or enlargement or  
any change whatsoever.)

**Section 3.05. Delivery of Series A Bonds.** Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee Series A Bonds in the aggregate principal amount of \$141,973,752.78. The Trustee shall authenticate such Bonds and deliver them to the purchasers thereof upon receipt of:

1. A copy, duly certified by the Secretary or Assistant Secretary of the issuer, of the resolutions adopted and approved by the Board of Trustees (or the Investment Committee thereof) of the Issuer authorizing the execution and delivery of this Indenture and the issuance of the Series A Bonds.

2. An executed counterpart of this Indenture and the Escrow Agreement.
3. A Written Request of the Issuer to the Trustee requesting the Trustee to authenticate and deliver the Series A Bonds in the aggregate principal amount of \$141,973,752.78, to the purchasers thereof.
4. Reserve Fund Insurance in the face amount of at least \$19,789,272.50.
5. Evidence of the satisfaction and discharge of the Prior Indenture.

The proceeds of the Series A Bonds, including accrued interest thereon to the date of delivery, shall be paid over to the Trustee and deposited as hereinafter provided under Section 3.06 hereof.

Section 3.06. Deposit of Series A Bond Proceeds and Other Moneys. (a) The proceeds, including accrued interest and premium, if any, received from the sale of the Series A Bonds, shall be applied by the Trustee simultaneously with the delivery of the Series A Bonds as follows:

- (i) The accrued interest on the Series A Bonds shall be deposited in the Sinking Fund;
- (ii) The sum of \$131,121,000.00 shall be deposited with The Indiana National Bank, as escrow trustee for investment in accordance with the Escrow Agreement to provide, together with other moneys or securities deposited with the escrow trustee pursuant to subsection (b) hereof for the payment of the Refunded Bonds; and
- (iii) The balance of the proceeds shall be deposited to the credit of the Series A Expense Account.

(b) Concurrently with the issuance of the Series A Bonds and the defeasance of the Refunded Bonds, \$4,499,944.13 shall be deposited with the Escrow Trustee from other available moneys of the Issuer.

(End of Article III)

## ARTICLE IV

### Additional Bonds

Section 4.01. Issuance of Additional Bonds. Additional Bonds may be authorized by the Board of Trustees, executed by the Issuer and authenticated by the Trustee and issued under this Indenture from time to time in order to provide funds for any lawful purpose under the Act. Such Additional Bonds shall be authenticated and delivered by the Trustee only in accordance with Article II hereof and upon the terms and conditions hereafter in this Article IV provided.

Section 4.02. Conditions Under Which Additional Bonds May Be Issued. (a) No additional series of Bonds or any portion thereof shall be authenticated and delivered by the Trustee pursuant to Section 4.01 hereof (except pursuant to subsections (b) and (c) hereof) unless the actual Student Fees received by the issuer during the preceding Fiscal Year shall be equal to or greater than two (2) times the Maximum Annual Debt Service to become due in the succeeding Fiscal Years for the payment of principal and interest charges on the Parity Bonds Outstanding hereunder and on the Parity Bonds then to be authenticated and delivered. ~~For purposes of this paragraph, and notwithstanding the formula for calculation of interest on variable rate bonds as found in the definition of Maximum Annual Debt Service, interest on any Variable Rate Bonds shall be calculated at an assumed rate of 15% per annum.~~ *Insert from Eleventh Supp. T.I.*

(b) Additional Bonds may also be authorized and executed by the Issuer and authenticated and delivered by the Trustee pursuant to this Section 4.02(b) hereof without the necessity for compliance with the provisions of subsection (a) of this Section when necessary or appropriate, in the opinion of the Trustee, to avoid a default hereunder.

(c) Additional Bonds may be issued hereunder for the specific purpose of evidencing liability of the Issuer in favor of any entity providing a Credit Support Instrument. Whether such Additional Bonds are Parity Bonds or Subordinated Bonds shall depend on the ability to meet the tests prescribed in Section 4.02(a) hereof at the time when funds are advanced pursuant to such Credit Support Instrument and not immediately reimbursed by the Issuer, provided that Parity Bonds purchased by the provider of a Credit Support Instrument pursuant to the terms of said Credit Support Instrument shall continue to be Parity Bonds. If such tests cannot be met, the obligations will be Subordinated Bonds and the rights of the holders to receive principal thereof and interest thereon shall be subordinated to the owners of all Parity Bonds.

(d) All computations shall be made by the Treasurer of the Issuer. Compliance with the provisions of this Section 4.02 shall be conclusively evidenced to the Trustee by a certificate of the Treasurer of the Issuer.

Section 4.03. Instruments Required in Connection with Authentication of Additional Bonds. No such additional series of Bonds or any portion thereof shall be authenticated and delivered by the Trustee unless in each case there shall be delivered to the Trustee, in addition to the certificate provided for in Section 4.02(d), the following:

(1) a written application for authentication signed by the President of the Board of Trustees and the Treasurer of the Issuer;

(2) a certified copy of a resolution of the Board of Trustees of the Issuer declaring that a necessity exists, as recited therein, to issue Bonds to accomplish any purpose set forth in Sections 4.01(c) or 4.02(c) hereof, authorizing the issuance of the Bonds then to be authenticated and delivered and fixing and determining the provisions and the form of the Bonds as provided in Section 2.02 hereof;

(3) an indenture supplemental to this Indenture, executed by the Issuer with the Trustee, setting forth the provisions and the forms of the Bonds, and a description of the purpose or purposes for the issuance of the Additional Bonds, together with a certified copy of a resolution of the Issuer authorizing the execution of such supplemental indenture;

(4) a certificate of the Treasurer of the Issuer stating (a) that no event of default as defined in Section 10.02 hereof has occurred and is continuing and, on the granting of the application for the authentication of additional Bonds then being made, the Issuer will not be in default in the performance of any of the terms or covenants of this Indenture, (b) that, in the opinion of the signer thereof, all conditions precedent provided in the Indenture to the granting of the application then being made have been complied with and (c) that since the beginning of the Fiscal Year in which the additional Bonds are to be authenticated and delivered there has been no material change which would adversely affect the estimates referred to in Section 4.02 hereof;

(5) an opinion of Issuer's counsel that the documents submitted to the Trustee in connection with the application then being made comply with the requirements of this Indenture and that in his opinion all conditions precedent to the issuance of such additional Bonds as provided in this Indenture have been complied with;

(6) an opinion of nationally recognized bond counsel that the Bonds, the authentication of which is then applied for, when executed by the Issuer, and authenticated and delivered by the Trustee and issued by the Issuer, will be valid and binding obligations of the Issuer and will be secured by this Indenture equally and pro rata with all Bonds at the time outstanding hereunder, except as otherwise provided in Section 4.02(c) hereof and elsewhere in this Indenture.

SEE FIRST SUPP. +  
AMEND. INDENTURE

**Section 4.04. Junior Lien Obligations Permitted.** Except to the extent permitted in this Article for the issuance of Additional Bonds, from and after the issuance of any of the Bonds and for so long as any of the Bonds are outstanding, the Issuer will not issue bonds or other evidences of indebtedness or enter into leases that are prior to or on a parity with the Bonds but may issue bonds or other evidences of indebtedness for any of the purposes set forth in Section 4.01 hereof with a lien which is junior to the Bonds in all respects.

**Section 4.05. Additional Security.** At any time by a Supplemental Indenture adopted under Article XII the Issuer may pledge, assign or grant a security interest in or a lien on any additional funds or source of regular income of the Issuer to the Trustee for the security of Bonds free and clear of any equal or prior security interest or lien. Any such Supplemental Indenture shall be accompanied by an opinion of nationally recognized bond counsel that the pledge of additional security is valid, binding and effective. Upon such a Supplemental Indenture being delivered, the amount of the regular, annual, additional income pledged thereby as to which the Supplemental Indenture applies shall

be added to the amount of Student Fees for purpose of computing the amount of Additional Bonds which may be issued.

(End of Article IV)



ARTICLE V

Redemption of Series A Bonds

Section 5.01. Optional Redemption of Series A Bonds. (a) At the option of the Issuer, the Series A Capital Appreciation Bonds may be redeemed, either in whole at any time, or in part on any interest payment date, (less than all of such Bonds to be selected by lot in such manner as may be designated by the Trustee and as provided in Subsection (d) hereof) on August 1, 2000, or thereafter at 100% of the Compounded Amount thereof, together with the following premiums:

3% if redeemed on August 1, 2000, or  
thereafter on or before July 31, 2007;

2% if redeemed on August 1, 2001, or  
thereafter on or before July 31, 2002;

1% if redeemed on August 1, 2000, or  
thereafter on or before July 31, 2003;

0% if redeemed on August 1, 2003 or thereafter

plus in each case accrued interest to the date fixed for redemption.

(b) At the option of the Issuer, the Series A Bonds maturing on or after August 1, 1996, other than Series A Special Term Bonds and Series A Capital Appreciation Bonds, may be redeemed, either in whole at any time, or in part on any interest payment date (less than all of such Bonds to be selected by lot in such manner as may be designated by the Trustee and as provided in subsection (d) hereof) on or after August 1, 1995, at 100% of the principal amount thereof, together with the following premiums:

1% if redeemed on August 1, 1995, or thereafter on or  
before July 31, 1996;

1/2% if redeemed on August 1, 1996, or thereafter on  
or before July 31, 1997;

0% if redeemed on or after August 1, 1997

plus in each case, accrued interest to the date fixed for redemption.

(c) At the option of the Issuer, the Series A Special Term Bonds may be redeemed, either in whole at any time, or in part on any interest payment date (less than all of such Bonds to be selected by lot in such manner as may be designated by the Trustee and as provided in subsection (d) hereof), on or after August 1, 1998, at 100% of the principal amount thereof, together with the following premium:

1% if redeemed on August 1, 1998, or thereafter on or before July 31, 1999;

0% if redeemed on August 1, 1999, and thereafter

plus in each case accrued interest to the date fixed for redemption.

(d) If fewer than all of the Series A Bonds (other than Series A Capital Appreciation Bonds) to be so redeemed pursuant to this Section 5.01, the Trustee will select the particular Series A Bonds (other than Series A Capital Appreciation Bonds) or portions thereof to be redeemed. The portion of any Series A Bonds (other than Series A Capital Appreciation Bonds) of a denomination of more than \$5,000 which shall be redeemed shall be in the principal amount of \$5,000 or an integral multiple of that sum, and in selecting portions of such Series A Bonds (other than Series A Capital Appreciation Bonds) for redemption, the Trustee will treat each such Series A Bond (other than a Series A Capital Appreciation Bond) as representing that number of Series A Bonds (other than Series A Capital Appreciation Bonds) of \$5,000 denomination which is obtained by dividing the principal amount thereof by \$5,000. If fewer than all of the Series A Capital Appreciation Bonds are to be so redeemed pursuant to this Section 5.01, the Trustee will select the particular Series A Capital Appreciation Bond or portion thereof to be redeemed. The portion of any such Series A Capital Appreciation Bond with a Maturity Amount in excess of \$5,000 which is scheduled for redemption shall be in the Maturity Amount of \$5,000 or an integral multiple of that sum. In selecting portions of such Series A Capital Appreciation Bonds for redemption, the Trustee will treat each such Series A Capital Appreciation Bond as representing that number of Series A Capital Appreciation Bonds of \$5,000 Maturity Amounts which is obtained by dividing the Maturity Amount of such Series A Capital Appreciation Bond by \$5,000 Maturity Amount.

(e) Notwithstanding the above, however, no optional redemption shall be permitted if any amounts remain unpaid to the Reserve Fund Insurer pursuant to this Indenture or the instruments providing Reserve Fund Insurance.

**Section 5.02. Mandatory Redemption of Term Series A Bonds.** The Series A Bonds maturing in the year 2005 (other than Series A Special Term Bonds) are subject to mandatory sinking fund redemption prior to maturity in the amounts and on the dates as set forth below:

<u>August 1 of the Year</u>	<u>Amount</u>
2001	\$12,425,000
2002	13,565,000
2003	14,825,000
2004	16,205,000
2005	8,720,000*

\* Term bonds payable at maturity.

Not less than 45 days prior to the date set forth above, the Trustee shall select, in the manner set forth herein, the Series A Bonds or portions thereof to be so redeemed and shall promptly give notice of redemption as provided in Section 5.06 hereof, which

notice shall state that Series A Bonds to be redeemed or being redeemed by mandatory sinking fund redemption. Redemption pursuant to this Section 5.02 shall be at a redemption price equal to 100% of the principal amount thereof, together with interest accrued thereon to the date fixed for redemption.

Section 5.03. Determination of the Compounded Amount for Series A Capital Appreciation Bonds and Compounded Accreted Value of Series A Special Term Bonds. (a) Series A Capital Appreciation Bonds shall mature on August 1 in the years 2006 through 2009 as provided below, in the Maturity Amount of \$5,000 per Series A Bond, and shall accrete in Compounded Amount for \$5,000 from the Issued Amount per Series A Bond as shown on the following table:

Year	Compounded Amount (per \$5,000 at Maturity of Bonds) of Capital Appreciation Bonds due August 1,			
	2006		2007	
	February 1	August 1	February 1	August 1
1986	\$ 676.41	\$ 710.23	\$ 601.09	\$ 631.45
1987	745.74	783.03	663.33	696.83
1988	822.18	863.29	732.02	768.99
1989	906.45	951.77	807.83	848.62
1990	999.36	1,049.33	891.47	936.49
1991	1,101.80	1,156.89	983.78	1,033.47
1992	1,214.73	1,275.47	1,085.66	1,140.48
1993	1,339.24	1,406.20	1,198.08	1,258.58
1994	1,476.51	1,550.34	1,322.14	1,388.90
1995	1,627.86	1,709.25	1,459.04	1,532.73
1996	1,794.71	1,884.45	1,610.13	1,691.44
1997	1,978.67	2,077.60	1,776.86	1,866.59
1998	2,181.48	2,290.56	1,960.85	2,059.88
1999	2,405.09	2,525.34	2,163.90	2,273.18
2000	2,651.61	2,784.19	2,387.97	2,508.56
2001	2,923.40	3,069.57	2,635.25	2,768.33
2002	3,233.04	3,384.20	2,908.13	3,054.99
2003	3,553.41	3,731.08	3,209.26	3,371.33
2004	3,917.63	4,113.51	3,541.58	3,720.43
2005	4,319.19	4,535.15	3,908.32	4,105.69
2006	4,761.90	5,000.00	4,313.02	4,530.83
2007	-	-	4,759.64	5,000.00
2008	-	-	-	-
2009	-	-	-	-

**Compounded Amount (per \$5,000 at Maturity of Bonds)  
of Capital Appreciation Bonds due August 1,**

<u>Year</u>	<u>2008</u>		<u>2009</u>	
	<u>February 1</u>	<u>August 1</u>	<u>February 1</u>	<u>August 1</u>
1986	\$ 533.15	\$ 560.34	\$ 482.66	\$ 507.28
1987	588.92	618.95	533.15	560.34
1988	650.52	683.69	588.92	618.95
1989	718.56	755.21	650.52	683.69
1990	999.36	1,049.33	891.47	936.49
1991	876.75	921.46	793.72	834.20
1992	968.46	1,017.85	876.75	921.46
1993	1,069.76	1,124.32	968.46	1,017.85
1994	1,181.66	1,241.92	1,069.76	1,124.32
1995	1,305.26	1,371.83	1,181.66	1,241.92
1996	1,441.79	1,515.32	1,305.26	1,371.83
1997	1,592.60	1,673.83	1,441.79	1,515.32
1998	1,759.19	1,848.91	1,592.60	1,673.83
1999	1,943.20	2,042.31	1,759.19	1,848.91
2000	2,146.47	2,255.93	1,943.20	2,042.31
2001	2,370.99	2,491.91	2,146.47	2,255.93
2002	2,619.00	2,752.56	2,370.99	2,491.91
2003	2,882.94	3,040.48	2,619.00	2,752.56
2004	3,195.55	3,358.52	2,882.94	3,040.48
2005	3,529.81	3,709.83	3,195.55	3,358.52
2006	3,899.03	4,097.88	3,529.81	3,709.83
2007	4,306.87	4,526.52	3,899.03	4,097.88
2008	4,757.37	5,000.00	4,306.87	4,526.52
2009	-	-	4,757.37	5,000.00

\* Final maturity

In the event the Compounded Amount of a Series A Capital Appreciation Bond must be determined on a date other than August 1 or February 1, such amounts shall be calculated by interpolating on a straightline monthly basis, assuming six 30-day months between each February 1 and August 1.

For purposes solely of consents to amendments, notices of default and requests or demands in a default proceeding, the compounded amount of a Series A Capital Appreciation Bond shall be treated as its principal amount.

(b) The Series A Special Term Bonds will be issued at a substantial discount from the principal amount payable at stated maturity. Prior to the Interest Commencement Date for purposes solely of consents to amendments, notices of defaults, and requests or demands in a default proceeding, the Compounded Accreted Value of such Series A Special Term Bonds shall be treated as their principal amount. Such Compounded Accreted Value shall be equal to the initial offering price of such Series A Special Term Bond plus the increased value of such initial price from the date of delivery of such Series A Special Term Bond computed at a rate of 9.875% per annum, compounded on February 1 and August 1 of each year, commencing February 1, 1986, to the date of determination of such Compounded Accreted Value. Compounded Accreted Value on the

Series A Special Term Bonds will be calculated based on an assumption that the Compound Accreted Value increases in equal daily amounts on the basis of a year of twelve 30-day months.

At all times on or after the Interest Commencement Date, for the purposes described above, the principal amount of any Series A Special Term Bonds shall be the stated principal amount, payable at maturity.

The Compounded Accreted Value per \$5,000 maturity amount of each Series A Special Term Bond on each February 1 and August 1 to and including the Interest Commencement Date will be as follows:

<u>Year</u>	<u>Compounded Accreted Values</u> <u>(per \$5,000 payable at</u> <u>maturity) of Special Term</u> <u>Bonds due August 1, 2005</u>	
	<u>February 1</u>	<u>August 1</u>
1986	\$1,817.29	\$1,907.02
1987	2,001.18	2,099.99
1988	2,203.68	2,312.48
1989	2,426.66	2,546.48
1990	2,672.21	2,804.15
1991	2,942.61	3,087.90
1992	3,240.36	3,400.36
1993	3,568.25	3,744.43
1994	3,929.31	4,123.32
1995	4,326.91	4,540.55
1996	4,764.74	5,000.00

**Section 5.04. Open Market Purchases.** At its option, to be exercised not less than forty-five days prior to any sinking fund redemption date as provided in Section 5.02, the Issuer may (a) deliver to the Trustee Series A Bonds other than Series A Capital Appreciation Bonds and Series A Special Term Bonds purchased with available moneys of the Issuer, and (b) instruct the Trustee to apply the principal amount of such Series A Bonds so delivered for credit at one hundred percent (100%) of the principal amount thereof against the principal amount of Bonds of the same maturity to be redeemed on the next succeeding redemption date. Each such Series A Bond so delivered shall be so credited by the Trustee.

**Section 5.05. Notice of Redemption.** In the case of redemption of Series A Bonds, notice of the call for any such redemption identifying the Series A Bonds, or portions thereof to be redeemed shall be given by mailing a copy of the redemption notice by registered or certified mail not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption to the registered owner of each Series A Bond to be redeemed at the address shown on the registration books and in the case of redemption of Series A Bonds pursuant to Section 5.01 hereof notice shall also be published once in a newspaper or financial journal of general circulation published in New York, New York, not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date; provided, however, that failure to give such notice by mailing, or

any defect therein, with respect to any such registered Series A Bond shall not affect the validity of any proceedings for the redemption of other Series A Bonds and failure to give notice by publication shall not affect the validity of any proceeding for redemption of any Series A Bonds. If for any reason, it is impossible or impractical to mail such notice of call for redemption in the manner herein provided, then such mailing in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient notice.

On and after the redemption date specified in the aforesaid notice, such Series A Bonds, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) shall not bear interest, shall no longer be protected by this Indenture and shall not be deemed to be Outstanding under the provisions of this Indenture, and the holders thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

**Section 5.06. Cancellation.** All Series A Bonds which have been redeemed shall be cancelled and cremated or otherwise destroyed by the Trustee and shall not be reissued and a counterpart of the certificate of cremation or other destruction evidencing such cremation or other destruction shall be furnished by the Trustee to the issuer; provided, however, that one or more new fully registered Series A Bonds shall be issued for the unredeemed portion of any fully registered Series A Bond without charge to the holder thereof.

**Section 5.07. Release Concerning Redeemed Series A Bonds.** If the amount necessary to redeem any Series A Bonds called for redemption shall have been deposited with the Trustee for that purpose on or before the date specified for such redemption, and if the notice hereinbefore mentioned shall have been duly given and all proper charges and expenses of the Trustee in connection with such redemption shall have been paid or provided for, the issuer shall be released from all liability on such Series A Bonds, and such Bonds shall no longer be deemed to be Outstanding hereunder. Thereafter, such Series A Bonds shall not be secured by the lien of this Indenture, and the holders thereof shall look only to the Trustee for payment thereof, and not otherwise.

(End of Article V)

## ARTICLE VI

### Flow of Funds

Section 6.01. Building Facilities Fund. The Issuer has established pursuant to the 1968 Indenture a fund known as the "Indiana University Building Facilities Fund" which the issuer covenants to maintain at all times. Amounts in said Building Facilities Fund may be used for any purpose permitted by the Act, as the same may be amended and supplemented from time to time. In the event that the Act is amended so that said Fund is no longer required to be maintained by the Issuer, the provisions of this section shall no longer be deemed to require the existence of said Fund to be maintained.

Section 6.02. Sinking Fund. (a) There shall be created and maintained a separate fund on deposit with the Trustee known as the "Building Facilities Bond and Interest Sinking Fund" (herein sometimes referred to as the "Sinking Fund"). At least five (5) days prior to each interest or principal payment date not provided for by virtue of a Credit Support Instrument supporting Bonds with Optional Maturities, the Issuer shall transfer and remit Student Fees or other available funds to the Trustee in immediately available funds for deposit in the Sinking Fund an amount which, when added to any amount then in the Sinking Fund, equals the sum of the principal of and interest on all Parity Bonds becoming due on the following principal or interest payment date (other than Optional Maturities to be paid from a Credit Support Instrument), and any deficiencies then in existence in regard to said fund. Payments of such Optional Maturities from the Sinking Fund shall be subordinated to the payment of other principal of and interest on other Parity Bonds and shall be paid as provided in paragraph (d) below.

(b) There shall also be remitted to the Trustee for deposit in the Sinking Fund all sums received as accrued interest on the issuance and sale of Bonds under this Indenture together with the amount, if any, of the proceeds of said Bonds allocated to be used to pay interest on Bonds.

(c) The moneys in the Sinking Fund are hereby irrevocably pledged to and shall be used by the Trustee for the payment of the interest on and principal of the Parity Bonds as the same become due and no part thereof shall be used or applied to the optional redemption of Parity Bonds prior to maturity except that portion which is in excess of the amount required to be accumulated therein.

(d) On or before any interest or principal payment date on Subordinated Bonds, or any time for paying Optional Maturities not paid through a Credit Support Instrument after making the transfers required pursuant to Section 6.02(a) and Section 6.03 hereof, the Issuer shall transfer and remit Student Fees or other available fund to the Trustee in immediately available funds for deposit in a special account therefor in the Sinking Fund, an amount which, when added to any amount in said special account and other funds legally available for that purpose, equals the principal amount of Subordinated Bonds due on that payment date and interest accrued to that payment date and the amount of the Optional Maturities in such priority as provided by the Supplemental Indenture adopted with respect to such Bonds.

(e) If moneys in the Sinking Fund are insufficient for the payment of principal of or interest on Parity Bonds when the same shall become due, the Trustee shall draw on funds available in the Reserve Fund to meet such deficiencies. To the extent that,

consistent with the provisions of Section 6.03 hereof, the Trustee must draw upon a Reserve Fund Credit Instrument, the Trustee shall make demand for payment on the provider thereof in accordance with the terms thereof in a timely fashion.

**Section 6.03. Reserve Fund.** There shall also be created and maintained a separate fund on deposit with the Trustee known as the "Building Facilities Reserve Fund" (herein referred to as the "Reserve Fund"). Pursuant to Section 3.05 hereof the Trustee shall hold, in satisfaction of the Reserve Fund Requirement for the Series A Bonds, the Reserve Fund Insurance.

~~In connection with the issuance of any Additional Bonds there shall be deposited in the Reserve Fund an amount sufficient to maintain such fund in an amount equal to the Reserve Fund Requirement. No deposit need be made in the Reserve Fund on account of any series of Additional Bonds if the amount on deposit in the Reserve Fund equals the Reserve Fund Requirement.~~

*Insert new R - See Seventh Supp. Ind. Attachment*

An amount up to fifty percent (50%) of the foregoing requirement for a deposit in the Reserve Fund in connection with the issuance of Additional Bonds may also be satisfied by providing in the Supplemental Indenture pursuant to which the Additional Bonds are issued that annual deposits shall be made into the Reserve Fund in lieu of any such deposit. Such annual deposits for such series of Additional Bonds shall commence on the October 1 following the date on which that series of Additional Bonds is issued and shall continue on or before each October 1 thereafter for three succeeding years or such lesser number of years specified in the Supplemental Indenture providing for the issuance of such series of Additional Bonds. Said annual deposits shall equal, after taking into account any other moneys deposited in the Reserve Fund on the day of delivery and payment for such series of Additional Bonds (an amount at least equal to fifty percent (50%) of the Reserve Fund Requirement), an amount equal to the initial unfunded Reserve Fund Requirement divided by the total number of annual deposits to be made. In the alternative, and except as provided in the last paragraph of this Section 6.03, the Issuer may elect to provide a Reserve Fund Credit Instrument for purposes of the valuation required under this Section. The Trustee shall include in the total amount held in the Reserve Fund an amount equal to the maximum principal amount which could be drawn by the Trustee under any such Reserve Fund Credit Instrument deposited with the Trustee.

Any withdrawal from the Reserve Fund, if the amount thereafter in the Reserve Fund is less than the Reserve Fund Requirement, shall be subsequently replaced and restored from the first available Pledged Funds after all required transfers to the Sinking Fund have been made in full. Such replacement and restoration shall first be, as provided in Section 6.05 below, in regard to the Reserve Fund Credit Instrument or Instruments on a pro rata basis (or as otherwise provided in the applicable Supplemental Indenture) and thereafter in favor of any portion of the Reserve Fund required to be maintained in cash or Permitted Investments.

The Reserve Fund shall be used and applied in accordance with Section 6.02 hereof, and the Trustee shall draw first on cash or Permitted Investments on deposit in said Fund and then pro rata, or as otherwise provided in the applicable Supplemental Indenture, on the Reserve Fund Credit Instrument or Instruments as needed, for the purpose of paying the principal of, redemption premium, if any, and interest on the Bonds when due when there are insufficient monies in the Sinking Fund for such purpose. The Reserve Fund



shall not be used to pay Subordinated Bonds or Optional Maturities for the payment of which a Credit Support Instrument has been provided.

*Third* ~~If the rating of any such banking institution, parent or holding corporation is~~  
*Ind.* ~~downgraded below the three highest full rating categories or is otherwise terminated or~~  
*ment* ~~not renewed by the Issuer, then the Issuer shall promptly either (i) direct the Trustee to~~  
~~draw on such letter of credit and deposit the proceeds of said drawing to the Reserve~~  
~~Fund in satisfaction of the Reserve Fund Requirement or (ii) otherwise provide funds for~~  
~~deposit into the Reserve Fund in satisfaction of the Reserve Fund Requirement.~~

→ Insert ¶ from Eleventh Supp.

Section 6.04. Investments. All monies on deposit in the funds established under the Indenture held by the Issuer may be commingled for investment purposes in the Issuer's other investments and invested as permitted by law. The funds held by the Trustee shall be invested by the Trustee as directed by the Issuer in Permitted Investments. Interest earned or gains or losses realized on funds held by the Issuer shall be credited or debited to the Fund in which it was earned. Interest earned or gains or losses realized on funds held by the Trustee shall be credited or debited to that fund.

SEE BELOW (FROM FIRST SUPP AMEND INDENTURE)

Section 6.05. Reinstatement of Reserve Fund Credit Instrument. If a drawing is made from any Reserve Fund Credit Instrument, the Issuer shall reinstate, in accordance with the terms of such Reserve Fund Credit Instrument, the maximum limits of such instrument within twelve months following such drawing, solely from Pledged Funds available after all required payments have been made into the Sinking Fund, so that, together with moneys on deposit therein, if any, there shall be on deposit in the Reserve Fund an amount (including the maximum amount then payable under the terms of the Reserve Fund Credit Instrument) equal to the Reserve Fund Requirement. In the event that a drawing is made from the Reserve Fund Insurance with respect to the Series A Bonds, the Trustee shall submit to the Reserve Fund Insurer on or before July 1 of each year thereafter until reimbursement is made in full (i) its records of payments under the Reserve Fund Insurance which remain unpaid, (ii) the respective dates such payments were made, (iii) the interest accrued at the reimbursement rate provided under the Reserve Fund Insurance agreements to the Reserve Fund Insurer on each such payment, and (iv) the aggregate interest due by the Issuer to the Reserve Fund Insurer.

(End of Article VI)

Add sentence.  
SEE Third Supp.  
Ind. Attachment

(d) Section 6.04 of the Original Indenture is amended by inserting the following clause at the end of the last sentence thereof: "; except that interest earned or gains realized on the amounts which may be held in the Reserve Fund from time to time shall be credited to the Sinking Fund."

## ARTICLE VII

### Additional Covenants of the Issuer

The issuer hereby warrants, covenants and agrees as follows:

**Section 7.01. Authority for Bonds.** That it is duly authorized under the laws of the State of Indiana and under all other applicable provisions of law to create and issue the Bonds herein provided for, to execute and deliver this Indenture and to pledge, assign, grant a security interest in and lien upon and apply the Pledged Funds as herein provided; that all corporate and other action on its part for the creation and issuance of the initial series of Bonds and the execution of this Indenture has been duly and effectively taken; that said Bonds when issued and in the hands of the holders thereof will be valid and enforceable obligations of the issuer according to the import thereof; and that this Indenture is and always will be a valid Indenture to secure the payment of said Bonds.

**Section 7.02. To Pay Principal and Interest.** That it will duly and punctually pay or cause to be paid the principal sum and the interest accruing on said principal, on each and every one of the Bonds secured or to be secured hereby, at the dates and places, and in the manner provided in said Bonds, according to the terms thereof.

**Section 7.03. Payment of Trustee's and the Bondholders' Costs and Expenses.** That it will pay all and singular the costs, charges and expenses including reasonable attorney fees reasonably incurred or paid at any time by the Trustee or any successor Trustee or by the holder of any of the Bonds because of the failure on the part of the Issuer to perform, comply with and abide by each and every of the stipulations, agreements, conditions and covenants of the Bonds and this Indenture, or either of them.

**Section 7.04. Student Fees; Annual Budget.** That it will establish and collect Student Fees so as to generate in each Fiscal Year amounts equal to no less than the sum of:

(a) an amount equal to 2.00 times the Annual Debt Service Requirement for such Fiscal Year, provided that if the rate of interest borne by any Variable Rate Bond is fixed for such Fiscal Year at a single rate of interest, such Variable Rate Bond shall be treated as a Fixed Rate Bond for purposes of the Annual Debt Service Requirement calculation under this paragraph;

(b) the amount, if any, to be paid into the Reserve Fund or to be paid to the Reserve Fund Insurer with respect to such Fiscal Year; and (c) any other amounts to be paid from Student Fees with respect to such Fiscal Year in accordance with the Indenture.

The Issuer also covenants to adopt an annual budget for each Fiscal Year which will set forth the estimated Annual Debt Service Requirement, any required deposits to the funds established by the Indenture and any other moneys to be paid from Student Fees in accordance with the Indenture.

**Section 7.05. Financial Reports and Furnishing of Same.** The Issuer shall keep and maintain accurate books and records relating to the collection of Student Fees and the allocation thereof, the enrollment of students at Indiana University and the payments

into the Sinking Fund and Reserve Fund, which said books and records shall be open for inspection by any holder of the bonds at any reasonable time. ~~Not later than 150 days after the close of each Fiscal Year, beginning with the Fiscal Year ending June 30, 1986 the Issuer will furnish to the Trustee and any owner of 25% or more in aggregate principal amount of the Bonds who shall request the same in writing, copies of reports certified by the Treasurer of the Issuer, reflecting in reasonable detail the status of the books and records described above.~~ Copies of all audit reports relating to the student fees and allocation thereof made by the State Board of Accounts or other state body or officer designated by law or by any independent firm of public accountants, will be furnished to the Trustee as soon as available.

SEE  
Fifth  
Supp.  
Attachment

**Section 7.06. Tax Exempt Status of Bonds. - SEE FIRST SUPP+ AMEND ATTACHMENT**

(a) The Issuer further agrees that it will not permit the Building Facilities to be used in such manner as would result in loss of tax exemption of interest on Bonds otherwise afforded under Section 103(a) of the Internal Revenue Code of 1954, as amended, (or any successor section of such Code or subsequent federal income tax statute or code), nor will the Issuer act in any other manner which would adversely affect the tax exempt nature, for federal income tax purposes, of interest on the Bonds.

(b) The Issuer and the Trustee covenant that they will not make any investment or do any other act or thing during the period that any Bonds are Outstanding under this Indenture which would cause any of the Bonds to become or be classified arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, (or any successor section of such Code or subsequent federal income tax statute or code). It is further understood and agreed that the Trustee shall not be required at any time to make any such investment or to do any such act.

(c) The Issuer reserves the right to issue Additional Bonds the interest on which is not intended to be exempt from taxes under the Internal Revenue Code of 1954, as amended, and in such event paragraphs (a) and (b) of this section shall not be applicable to such Additional Bonds.

**Section 7.07. Additional Steps.** The Issuer will do any and all things necessary in order to maintain the pledge, assignment and grant of a lien on and security interest in the Pledged Funds as valid, binding, effective and perfected as provided in the Indenture, including without limitation filing all necessary Uniform Commercial Code forms with the Indiana Secretary of State.

**Section 7.08. Continuation of University.** Issuer will continue to operate Indiana University and its instructional program to the extent that it will continue to be able to assess, charge and collect Student Fees adequate to meet its obligations and covenants under this Indenture.

(End of Article VII)

## ARTICLE VIII

### Concerning the Trustee

**Section 8.01. Undertakings and Responsibilities of the Trustee.** The Issuer hereby irrevocably appoints the Trustee as its agent to maintain an office or agency at the office of the Trustee where notices, presentations and demands in respect of the Bonds or this Indenture may be delivered to or served upon the Issuer, but the Trustee shall not be under any liability to the Issuer or to any other corporation or person in respect of any such presentation, demand or notice.

The Trustee hereby accepts the trusts and assumes the duties herein created and general power to perform duties through agents subject to issuer consent imposed upon it, but only upon and subject to the following express terms and conditions:

(a) Except for its certificate of authentication upon the Bonds, the Trustee shall not be responsible for any recital herein or in the Bonds (which recitals shall be deemed to be made solely by the Issuer) or for the validity of the Bonds, or for the execution, validity, sufficiency, priority or extension of this Indenture or of any supplemental instrument, or for the sufficiency of the security, or for the validity of or title to or right of the Issuer to the possession of any of the Building Facilities, or for the payment of any taxes, charges, assessments, or liens upon the same, or otherwise as to the maintenance of the security hereof, and, except as otherwise expressly provided in this Indenture, the Trustee shall not be responsible for the application of the proceeds of the Bonds.

(b) The Trustee shall authenticate and deliver the Bonds in accordance with the provisions hereof.

(c) Except as otherwise expressly provided in the Indenture, the Trustee shall not be under any obligation to take any action toward the execution or enforcement of this Indenture or to institute, appear in or defend any suit in respect of the Bonds or of this Indenture, or of the Building Facilities, unless indemnified from time to time, to its satisfaction by the parties requesting action to be taken, against any expenses or liability connected therewith and unless requested in writing by the holders of at least twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding or the provider of any Credit Support Instrument.

(d) The Trustee, shall be protected in acting under this Indenture upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed, sent or delivered by the person or persons by whom such paper or document shall purport to have been signed, sent or delivered.

(e) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be within the discretion or power conferred upon it by this Indenture, or be responsible for the consequences of any oversight or error of judgment, and the Trustee shall be answerable only for its own acts, receipts, neglects and defaults, and not for those of any person, firm or corporation employed and selected with reasonable care.

(f) The Trustee will permit a representative of the holder or holders of 25% in aggregate principal amount of Bonds Outstanding or the provider of any Credit Support Instrument to inspect any statement, instrument, opinion or certificate filed with the Trustee by the Issuer or by any person, firm or corporation acting for the Issuer.

(g) The Trustee shall be entitled to reasonable compensation for all services by it rendered in the execution of the trusts hereby created and to be reimbursed for all proper outlays of every kind and nature by it incurred in the execution of such trusts.

(h) The Trustee shall not be bound to recognize any person as a holder of any Bond until his title thereto, if disputed, shall have been established to its reasonable satisfaction.

(i) The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

(j) Except as herein otherwise provided, all funds held in trust by the Trustee under any of the provisions of this Indenture shall be carried by the Trustee upon the books of its Corporate Trust Department in a separate account or accounts as trust funds.

(k) The Trustee may accept and rely upon all statements, data and reports furnished to it by the Issuer pursuant to Section 7.05 hereof.

**Section 8.02. Resignation and Appointment of Successor Trustee.** The Trustee or any trustee or trustees hereafter appointed, may at any time resign by giving written notice of such resignation to the Issuer and by a single publication of such notice in a financial newspaper of general circulation published in the Borough of Manhattan, City and State of New York, and in a newspaper of general circulation published in the City of Chicago, Illinois, and in a newspaper of general circulation published in the City of Indianapolis, Indiana. Upon receipt of such notice, the Issuer shall promptly appoint a successor trustee (which shall have capital, surplus and undivided profits in excess of \$50,000,000) by written instrument executed in duplicate by the President of its Board of Trustees by order of the Board of Trustees, and attested by the Secretary of the Issuer, one copy of which instrument shall be delivered to the resigning trustee and one copy to the successor trustee. If a successor trustee shall not have been so appointed and have accepted appointment within sixty (60) days after the publication of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any bondholder who has been a bona fide holder of a Bond or Bonds for at least six (6) months may, at the expense of the Issuer, on behalf of himself and all other bondholders similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may prescribe, appoint a successor trustee. Any successor Trustee must be able to bring suit in Indiana in enforcement of its remedies hereunder.

**Section 8.03. Removal of Trustee.** In case at any time the Trustee (a) shall fail to comply with any of the provisions of this Indenture or (b) shall become incapable of

acting or (c) shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Issuer may and, upon the written request of the holders of not less than fifty-one percent (51%) of the principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the outstanding Bonds or any provider of a Credit Support Instrument, shall remove the Trustee and appoint a successor trustee by written instrument, executed in duplicate by the President of its Board of Trustees by order of its Board of Trustees, and attested by the Secretary, one copy of which instrument shall be delivered to the trustee so removed and one copy to the successor trustee. Any resignation or removal of the Trustee pursuant to the provisions of Sections 8.02 and 8.03 shall become effective upon acceptance of appointment as hereinafter provided by the successor trustee.

**Section 8.04. Effective Date of Appointment of Successor Trustee and Instruments to Evidence Succession.** Any successor trustee appointed as provided in Sections 8.02 and 8.03 shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment hereunder and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the estate, rights, powers, privileges, duties and obligations of its predecessor hereunder, with like effect as if originally named as trustee herein; but nevertheless, on request of the Issuer or of the successor trustee, the predecessor trustee shall execute and deliver any instruments necessary to transfer to such successor trustee all of the estate, rights, privileges and powers of such predecessor trustee, together with such records or photostatic copies thereof pertaining to the trust as the successor trustee or the Issuer may request. Upon request of any such successor trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor trustee all such rights, privileges and powers.

**Section 8.05. Merger, Consolidation or Other Succession of Trustees.** Any corporation into which the Trustee or any successor trustee or successor trustees may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to or acquiring the corporate trust business of the Trustee shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of the parties hereto. In any case in which a successor trustee shall replace a predecessor trustee, such successor trustee shall forthwith make a report thereof in writing to the bondholders appearing on the registry books of the Trustee, and by a single publication, in a financial newspaper of general circulation published in the Borough of Manhattan, City and State of New York, and in a newspaper of general circulation published in the City of Chicago, Illinois, and in a newspaper of general circulation published in the City of Indianapolis, Indiana, if all the bondholders shall not be registered bondholders.

(End of Article VIII)

## ARTICLE IX

### Limitation of Liability

**Section 9.01. No Recourse Except as Provided by Law.** This Indenture and the Bonds secured and to be secured hereby are made, executed and negotiated under and pursuant to the terms and conditions of the Act. No recourse shall be had for the performance of any covenant contained in this Indenture nor for the payment of the principal or interest of the Bonds hereby secured upon the State of Indiana or upon The Trustees of Indiana University, or upon the property or funds of said State or of said Issuer, except to the extent and in the manner authorized by law and this Indenture.

**Section 9.02. No Recourse Against Individuals.** No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond hereby secured shall be had against any officer, trustee, employee, agent, or representative of the Issuer; and no personal liability whatever shall attach to or be incurred by the present or any future officer, trustee, employee, agent, or representative of said Issuer by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of said Bonds, or be implied therefrom.

(End of Article IX)

ARTICLE X

Default and Remedies

~~Section 10.01. Rights of Enforcement. All rights of action under or in respect of this Indenture shall be exercised only by the Trustee and no holder of any Bond issued hereunder shall have any right to institute any suit, action or proceeding at law or in equity for any remedy hereunder or by reason hereof, unless and until the Trustee shall have received the written request of the holders of not less than twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder (or any provider of a Credit Support Instrument to the extent provided in the applicable Supplemental Indenture) and shall have been offered reasonable indemnity and shall have refused or for thirty (30) days thereafter neglected to institute such suit, action or proceeding; and it is hereby declared that the making of such request and the furnishing of such indemnity are in each case conditions precedent to the execution and enforcement by any such holder or holders of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any such holder or holders of any action or cause of action for any remedy hereunder; but the Trustee may, in its discretion and, when thereunto duly requested in writing by the holder or holders of at least twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder or the provider of a Credit Support Instrument and furnished indemnity satisfactory to it against expenses, charges and liabilities, shall forthwith take such appropriate action by judicial proceedings or otherwise in respect of any existing default on the part of the Issuer as the Trustee may deem expedient in the interest of the holders of the Bonds outstanding hereunder. Nothing in this indenture contained, however, shall affect or impair the obligation of the Issuer to pay the principal of and the interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place and in the manner herein provided.~~

SEE  
Third  
Supp.  
Ind.  
Attach.

~~Section 10.02. Events of Default and Action Thereon. If any one or more of the following events, hereby defined as and hereinafter called "events of default" shall happen, that is to say:~~

SEE  
Third  
Supp.  
Ind.  
Attach.

~~(a) Default shall be made in the payment by the Issuer of the principal of any one or more of the Bonds when the same shall become due and payable by lapse of time, by call for redemption, or otherwise; or~~

~~(b) Default shall be made in the payment by the Issuer of any interest on any one or more Bonds when the same shall become due and payable as therein and herein expressed; or~~

~~(c) Default shall be made by the Issuer or any of its officers in the observance or performance of any other of the covenants, conditions or obligations in the Bonds or in this Indenture expressed and such default is not remedied within thirty (30) days after written notice so to do from the Trustee, which may serve such notice in its discretion and shall serve the same at the written request of the holders of not less than twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder or a provider of a Credit Support Instrument; or~~



~~(d) The Issuer shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) have an order for relief entered in any case commenced by or against it under federal bankruptcy laws, as now or hereafter in effect, (iii) commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar laws, or have such a proceeding commenced against it and have either an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstaged for 90 days, (iv) make an assignment for the benefit of creditors, or (v) have a receiver or trustee appointed for it or for the whole or substantial part of its property.~~

~~then and in every such event the Trustee may, in its discretion, and, upon the written request of the holders of twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder or the provider of a Credit Support Instrument and upon being satisfied to its satisfaction by the party requesting such action, shall proceed to protect and enforce its rights and the rights of the holders of the Bonds by suit or suits at law or in equity, whether for the specific performance of any covenant or agreement herein contained, or in execution or aid of any power herein granted, or for the enforcement of any other proper legal or equitable remedy as the Trustee, being advised by the counsel, shall deem most effectual to protect and enforce its rights and the rights of such holders of the Bonds.~~

**Section 10.03. Remedies Non-Exclusive.** No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute. No delay or omission to exercise any right or power accruing upon any default continuing as aforesaid shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time as often as may be deemed expedient.

**Section 10.04. Trustee Appointed Agent of Bondholders.** The Trustee is hereby appointed the special agent and representative of the holders of Bonds and vested with full power in their behalf to effect and enforce this Indenture for their benefit as provided herein, but anything in this Indenture contained to the contrary notwithstanding, the holder or holders of fifty-one percent (51%) or more in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding, in case of any event of default, or of any other event entitling the Trustee to proceed hereunder, shall have the right from time to time to direct and control the method and place of conducting any and all proceedings by the Trustee for the enforcement of any of the provisions of this Indenture or for the appointment of a receiver and any other proceedings taken by virtue of any provisions of this Indenture.

**Section 10.05. Trustee May Enforce Without Possession of Bonds.** All rights of action or other rights under this Indenture or otherwise may be enforced by the Trustee without the possession of any of the Bonds issued hereunder or the production thereof on the trial or other proceedings relative thereto.

**Section 10.06. Notices.** Any notice required or permitted to be given by the Trustee to the Issuer, under the provisions of this Indenture, shall be sufficiently given if

it shall have been delivered in person or mailed, postage prepaid, to the Secretary of the Board of Trustees, The Trustees of Indiana University, Bryan Hall, Bloomington, Indiana 47405 with a copy to Reserve Fund Insurer at Municipal Bond Insurance Association, 445 Hamilton Avenue, Box 788, White Plains, New York 10602.

(End of Article X)

## ARTICLE XI

### Defeasance; Discharge; and Partial Release of Lien on Student Fees

*Amount* Section 11.01. Defeasance and Discharge. If (1) the Issuer shall pay, or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds the principal of and the applicable redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, (2) the Issuer shall pay all expenses and fees of the Trustee and any paying agent, and (3) the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then the pledge of the Pledged Funds, and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer, and upon request of the Issuer shall execute and deliver all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and paying agents shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to this Indenture which are not required for the payment of principal of and the applicable redemption premiums, if any, and interest on Bonds. If the Issuer shall pay or cause to be paid, or make provision for payment in accordance with this Article, to the holders of all Outstanding Bonds of a particular series, or of a particular maturity within a series, the principal of and the applicable redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Agreement, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture (except with respect to the moneys or Federal Securities deposited as required by Section 11.02) and all covenants, agreements and obligations of the Issuer to the holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 11.02. Bonds No Longer Outstanding and Deemed Paid. Bonds or principal installments thereof and interest thereon for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through irrevocable deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in Section 11.01. Any Outstanding Bonds of any series or of a particular maturity within a series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in Section 11.01 if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee irrevocable instructions accepted in writing by the Trustee to give notice as provided in Article V notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities or Escrowed Municipals the principal of and the interest on which when due will provide moneys which, together with other moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal of and the applicable redemption premium, if any, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds do not mature and are not to be redeemed within the next succeeding sixty (60) days, the Issuer shall have given the Trustee in form satisfactory to it

irrevocable instructions accepted in writing by the Trustee to give notice, as soon as practicable, and in the same manner as notice of redemption are required to be given under Article V hereof a notice to the holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds. Neither Federal Securities or Escrowed Municipals nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Federal Securities or Escrowed Municipals shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and the applicable redemption premium, if any, and the interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Securities or Escrowed Municipals deposited with the Trustee, (a) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Indenture, and (b) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Securities or Escrowed Municipals maturing at times and in amounts sufficient to pay when due the principal of and the applicable redemption premium, if any, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien or pledge. For the purposes of this Section, Federal Securities or Escrowed Municipals shall mean and include only such securities which are not callable at the option of the issuer except for Escrowed Municipals for which irrevocable instructions to redeem on a certain date have been given.

*Insert New Rs - See Seventh Supp. Ind. Attachment*  
Section 11.03. Bonds Not Presented for Payment When Due. Anything notwithstanding, and subject to law, any moneys held by the Trustee or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for five (5) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agent at such date, or for five (5) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the said date when such Bonds become due and payable, shall, at the written request of the Issuer, be repaid by the Trustee or Paying Agent to the Issuer, as its absolute property and free from trust, and the Trustee and Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds; provided, however, that before being required to make any such payment to the Issuer, the Trustee or Paying Agent shall, at the expense of the Issuer, cause to be mailed by registered mail to the address of said registered owner as shown on the Bond Register a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed will be returned to the Issuer. Any such moneys in an amount of Ten Thousand Dollars (\$10,000) or more unclaimed after seven (7) months shall be invested by the Trustee or Paying Agent in Federal Securities or Escrowed Municipals and the income earned thereon shall be paid to the Issuer.

Section 11.04. Partial Release of Lien on Student Fees. The Issuer shall have from time to time the right to incur other indebtedness pursuant to Indiana Code 20-12-7, Indiana Code 20-12-8 or any other provisions of Indiana law other than the Act which

may be payable from a particular fee or fees or other charges made to students attending Indiana University which fees or charges may be Student Fees. The Issuer and the Trustee may, from time to time, enter into Amendatory or Supplemental Indentures hereto for the purpose of releasing said fees or charges from the lien of this Indenture and excluding said fees or charges constituting Student Fees from the definition of Student Fees herein, if actual Student Fees received by the Issuer during the preceding Fiscal Year less those fees and charges to be removed from the definition of Student Fees and from the lien of this Indenture, shall be equal to or greater than five (5) times Maximum Annual Debt Service to become due in the succeeding Fiscal Years for the payment of principal and interest charges on Bonds Outstanding hereunder.

(End of Article XI)

## ARTICLE XII

### Supplemental Indentures

Section 12.01. Supplemental Indenture Purposes. Without any action by or notice to the holders of any of the Bonds, the Issuer and the Trustee may from time to time and at any time enter into such indentures supplemental hereto as shall be deemed by them necessary or desirable

(a) to restrict the issue and the purposes of issue of Bonds under this Indenture by imposing additional conditions and restrictions to be thereafter observed so long as the same shall not impair the security afforded hereby;

(b) to add to the covenants and agreements of the Issuer in this Indenture contained such further covenants or agreements and to surrender any right or power herein reserved to or conferred upon the Issuer, although the freedom of action of the Issuer may be materially restricted thereby, as the Board of Trustees of the Issuer shall consider to be advisable for the protection of the holders of Bonds or to make additional pledges as provided in Article IV;

(c) to describe the terms of any new series of Bonds including providing for the issuance of Bonds not issued in fully registered form if in the written opinion of Bond Counsel, the interest on such coupon Bonds will be exempt from federal income taxes;

(d) to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not inconsistent with this Indenture;

(e) otherwise to modify any of the provisions of this Indenture or to relieve the Issuer from any of the obligations, conditions or restrictions herein contained; provided that no such modification shall be or become operative or effective, or shall in any manner impair any of the rights of the bondholders or of the Trustee (except as otherwise provided or permitted pursuant to Article XIII hereof), while any Bonds of any series issued prior to the execution of such supplemental indenture shall remain outstanding; and provided further that such supplemental indenture shall be specifically referred to in the text of all Bonds of any series issued after the execution of such supplemental indenture; and provided, also, that the Trustee may in its uncontrolled discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when the same shall become operative;

(f) to add to the powers, duties or obligations of the Trustee or to impose requirements with respect to the qualification or disqualification of any bank or trust company to act as trustee under this Indenture;

(g) further to restrict investments to be made by the Trustee or Issuer; or

(h) for any other purpose not prohibited by the terms of this Indenture and which shall not impair the security afforded hereby, or for the purpose of curing

any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained herein or in any supplemental indenture;

(i) to grant additional rights to the provider of any Credit Support Instrument or Reserve Fund Credit Instrument including, if desired, the creation of a special reserve therefor; or

(j) to provide for partial release of the lien on and security interest in Student Fees as provided in Section 11.04 hereof.

and the Issuer hereby covenants that it will fully perform all the requirements of any such supplemental indentures which may be in effect from time to time; but no obligation imposed hereby, or by any supplemental indentures, upon the Issuer with respect to any of the Bonds or any series of Bonds then outstanding under this Indenture may, except as otherwise provided in this Indenture, be waived or modified by supplemental indenture or otherwise.

Nothing in this Article XII contained shall affect or limit the right or obligation of the Issuer to execute and deliver to the Trustee any instrument of further assurance or other instrument which elsewhere in this Indenture it is provided shall be delivered to the Trustee.

**Section 12.02. Execution of Supplemental Indenture by Trustee.** The Trustee is hereby authorized to join with the Issuer in the execution of any supplemental indenture authorized or permitted by the terms of this Indenture and to make the further agreements and stipulations which may be therein contained. The Trustee may receive an opinion of counsel as conclusive evidence that any such supplemental indenture is authorized or permitted by the terms of this Indenture and that it is proper for the Trustee under the provisions of this Article XII to join in the execution thereof. Copies of each such supplemental indenture shall be furnished to the original purchasers of the Bonds of each Series.

(End of Article XII)

## ARTICLE XIII

### Modifications and Alteration of Indenture

**Section 13.01. Modifications Authorized and Manner of Effecting Same.** The holders of not less than fifty-one percent (51%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds at any time outstanding or not less than fifty-one percent (51%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of each series outstanding affected by such modification or alteration in case one or more but less than all of the series of Bonds then outstanding are so affected, shall have the power, by an instrument or instruments in writing signed by such holders in person or by their duly authorized agents or attorneys or by a committee constituted by an agreement to which any portion of the Bonds shall have been made subject by deposit or otherwise, and delivered to the Trustee, to authorize any modification or alteration of this Indenture or any indenture supplemental hereto or the rights and obligations of the Issuer under this Indenture or of the holders of Bonds issued under this Indenture in any particular, approved by the Issuer, including without limitation by reason of the foregoing, waiver of any default and of any rights arising by reason of any default under any of the provisions of the Indenture; and any action herein authorized to be taken with the assent or authority, given as aforesaid, of the holders of fifty-one percent (51%) or more in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds at the time outstanding shall be binding upon the holders of all of the Bonds then or from time to time thereafter outstanding under the Indenture as fully as though such action were specifically and expressly authorized by the terms of the Indenture; provided always that no such modification or alteration (i) shall change or impair the obligation of the Issuer to pay the principal of and interest on the Bonds at the respective dates and at the places and in the respective amounts, as provided in the Bonds, (ii) shall give to any Bond or Bonds secured by the Indenture any preference over any other Bond or Bonds so secured, (iii) shall authorize the creation of any lien upon any of the property the income of which is or shall in the future be payable to the Trustee under Article VII of this Indenture, (iv) shall deprive any bondholder of the security afforded by this Indenture, (v) shall reduce the percentage in principal amount of Bonds required by the provisions of this Section for any action under this Section or (vi) extend the maturity or interest payments, reduce the interest rate, the formula for determining the variable interest rate or reduce the maturity amount of any Bond without the consent of each Bondholder so affected. Any modification of the provisions of the Indenture, made as aforesaid, shall be set forth in a supplemental indenture between the Trustee and the Issuer.

**Section 13.02. Effect of Modification.** Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all holders of Bonds outstanding thereunder shall thereafter be determined exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.



**Section 13.03. Trustee May Receive Opinion of Counsel.** The Trustee may receive an opinion of counsel as conclusive evidence that any supplemental indenture executed pursuant to the provisions of this Article complies with the requirements of this Article.

**Section 13.04. Notations on Bonds and Exchange for New Bonds.** Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If such supplemental indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Trustee and the Board of Trustees of the Issuer, to any modification of this indenture contained in any such supplemental indenture, may be prepared by the Issuer, authenticated by the Trustee and delivered without cost to the holders of Bonds then outstanding, upon surrender of such Bonds, in equal aggregate principal amounts.

(End of Article XIII)

## ARTICLE XIV

### Additional Provisions

Section 14.01. Issuer to Remain in Possession Until Default. Unless an Event of Default, as defined in Section 10.02, shall have occurred and shall not have been cured, the Issuer shall remain in full possession and control of the Student Fees, subject always to the observance of the covenants of this Indenture with respect thereto. Upon the occurrence of an Event of Default, the Trustee shall have the right, upon a demand to the Issuer, to have all Student Fees deposited, as they are collected, in a Student Fee Fund (which is created by this Indenture) to be maintained by the Trustee, to invest that Fund in Permitted Investments, to apply amounts in the Fund to the payment of principal of or interest on the Bonds and the maintenance of the Reserve Fund and to remit all other amounts in the Fund not needed to be held aside for those purposes to the Issuer.

Section 14.02. Invalidity of any Provision. In case any one or more of the provisions contained in the Indenture or in the Bonds shall be adjudicated by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 14.03. Indenture Inures to Successors and Assigns of Issuer and Trustee. Subject to the provisions of Article XIII of this Indenture, whenever in this Indenture either of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 14.04. Execution of Indenture in Counterparts. This Indenture may be simultaneously executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

Section 14.05. "Indenture" includes Supplemental Indentures. Unless a different meaning is clearly apparent, the word "Indenture" means this Indenture and includes all indentures, supplemental hereto.

Section 14.06. Paying Agent. Any bank or trust company with or into which any paying agent may be merged or consolidated, or to which the assets and business of such paying agent may be sold, shall be deemed the successor of such paying agent for the purpose of this Indenture. If the position of any paying agent shall become vacant for any reason, the Issuer shall within thirty (30) days thereafter, appoint a bank or trust company located in the same city as the paying agent to fill such vacancy; provided, however, that if the Issuer shall fail to appoint such paying agent within such period, the Trustee shall make such appointment.

Section 14.07. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of Indiana.

IN WITNESS WHEREOF, The Trustees of Indiana University has caused this Indenture to be signed in its name by the President of its Board of Trustees and its corporate seal to be hereunto affixed and the same to be attested by its Secretary, and The Indiana National Bank, to evidence its acceptance of the trust hereby created, has caused this Indenture to be signed in its name by one of its Vice Presidents and its corporate seal to be hereunto affixed and the same to be attested by its Trust Officer, all as of the day and year first above written, but actually on the 14<sup>th</sup> day of November, 1985.

THE TRUSTEES OF INDIANA UNIVERSITY

By Richard B. Stoner  
Richard B. Stoner, President

(Corporate Seal)

Attest:

Robert E. Burton  
Robert E. Burton, Secretary

THE INDIANA NATIONAL BANK

By PNS  
P. N. Smith, Vice President and  
Trust Officer

(Corporate Seal)

Attest:

R. J. Kocher  
R. J. Kocher, Trust Officer

STATE OF INDIANA       )  
                                  ) SS:  
COUNTY OF MARION     )

Before me, a Notary Public in and for the State aforesaid, personally appeared The Indiana National Bank by P. N. Smith and R. J. Kocher, its Vice President and Trust Officer and Trust Officer, respectively, and acknowledged the execution of the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 15th day of November, 1985.

Sherry L. Denton  
(Written Signature)

Sherry L. Denton  
(Printed Signature)

Notary Public

My Commission Expires:

1-29-88

My County of Residence:

Shelby

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MONROE )

Before me, a Notary Public in and for the State aforesaid, personally appeared The Trustees of Indiana University by Richard B. Stoner and Robert E. Burton, the President of its Board of Trustees and its Secretary, respectively, and acknowledged the execution of the foregoing instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 14th day of November, 1985.

*E. Lane Bruce*

\_\_\_\_\_  
(Written Signature)

E. Lane Bruce

\_\_\_\_\_  
(Printed Signature)

Notary Public

My Commission Expires:

9-17-86

My County of Residence:

Monroe

EXHIBIT A - SEE BELOW  
 (FROM SECOND SUPP. AMEND. INDENTURE)

Individual student service fees pledged for payment of the following bond issues:

Union Building First Mortgage Bonds, Series A & B	\$ 3,460,000
Athletic Facilities, 1958, 1960, 1961 & 1971 Series	12,100,000
Hall of Music First Mortgage Bonds	1,890,000
Musical Arts Center First Mortgage Bonds	3,935,000
Student Union Revenue Bonds of 1951 (Indianapolis)	430,000
South Bend Student Union Building Bonds of 1979	3,240,000
Southeast Student Union Building Bonds of 1979	2,035,000
Hospital Facilities Revenue Bonds, Series 1984	<u>7,240,000</u>
TOTAL	\$34,330,000*

\*Outstanding principal amount on July 2, 1985

Section 6.01. Amendment to Original Indenture. (a) In order to provide for a partial release of the lien on and security interest in Student Fees as provided in Sections 11.04 and 12.01(j) of the Original Indenture, Exhibit A of the Original Indenture is amended to add:

"Fine Arts, Academic and Museum Building Loan Agreement, dated February 27, 1981, as amended - \$4,640,000"

IK  
FIRST SUPP. AMEND  
INDENTURE  
DATED AS OF 5-1-86

ARTICLE VI  
Miscellaneous

Section 6.01. Amendments to Original Indenture.

In order to cure an ambiguity and make provisions of the Original Indenture consistent, all as provided in Section 12.01(h) of the Original Indenture:

(a) Section 4.03(6) of the Original Indenture is amended by inserting at the end of said paragraph the phrase "and except as otherwise provided herein".

(b) Article I of the Original Indenture is amended by deleting the clause "provided that Debt Service Requirements on any Bond which do not have access to or claims upon the Reserve Fund pursuant to Section 6.03 hereof shall be excluded from the calculation of Reserve Fund Requirement and" from the definition of Reserve Fund Requirement.

(c) Section 7.06 of the Original Indenture is hereby amended to read as follows:

Section 7.06. Tax Exempt Status of Bonds

(i) The Issuer further agrees that it will not permit the Building Facilities to be used in such manner as would result in loss of tax exemption of interest on Series A Bonds (and, except as otherwise specified in the Supplemental Indenture authorizing the same, on any Additional Bonds) otherwise afforded under Section 103(a) of the Internal Revenue Code of 1954, as amended, (or any successor section of such Code or subsequent federal income tax statute or code), nor will the Issuer act in any other manner which would adversely affect the tax exempt nature, for federal income tax purposes, of interest on the Series A Bonds (and, except as otherwise specified in the Supplemental Indenture authorizing the same, on any Additional Bonds).

(ii) The Issuer and the Trustee covenant that they will not make any investment or do any other act or thing during the period that any Series A Bonds (and, except as otherwise specified in the Supplemental Indenture authorizing the same on any Additional Bonds) to become or be classified arbitrage bonds within the meaning of Section 103(e) of the Internal Revenue Code of 1954, as amended, (or any successor section of such Code or subsequent federal income tax statute or code). It is further understood and agreed that the Trustee shall not be required at any time to make any such investment or to do any such act.

(iii) The Issuer reserves the right to issue Additional Bonds the interest on which is not intended to be exempt from taxes under the Internal Revenue Code of 1954, as amended (or any successor section of such Code or subsequent federal income tax statute or code) and in such event paragraphs (a) and (b) of this section shall not be applicable to such Additional Bonds.

(d) Section 6.04 of the Original Indenture is amended by inserting the following clause at the end of the last sentence thereof: "; except that interest earned or gains realized on the amounts which may be held in the Reserve Fund from time to time shall be credited to the Sinking Fund."

IU  
SECOND SUPPL. AMEND. INDENTURE  
DATED AS OF 6-1-86

ARTICLE VI

Miscellaneous

Section 6.01. Amendment to Original Indenture. (a) In order to provide for a partial release of the lien on and security interest in Student Fees as provided in Sections 11.04 and 12.01(j) of the Original Indenture, Exhibit A of the Original Indenture is amended to add:

"Fine Arts, Academic and Museum Building Loan Agreement, dated February 27, 1981, as amended - \$4,640,000"

(b) In order to cure an ambiguity and correct a defective or inconsistent provision, as provided in Section 12.01(h) of the Original Indenture, the following language is added at the end of the penultimate sentence of the definition of "Annual Debt Service Requirement" in Section 1.01 of the Original Indenture:

; and provided further that for any balloon maturity the Issuer may elect to waive the provisions of clause (iii) above for any one or more series of Bonds at the time of delivery thereof and treat such one or more series of Bonds as if such balloon maturity was not a balloon maturity for purposes of the application of this definition.

Section 6.02. Consents, Etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by the Second Supplemental and Amending Indenture to be executed by the Series C Bondholders may be in any number of substantially concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Proof of execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

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 acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 6.03. Severability. If any provision of this Second Supplemental and Amending 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 in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof 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.



I. U.  
THIRD SUPP. IND.  
DATED AS OF 7-1-87

ARTICLE VI

Amendments to the Indenture

Section 6.01. Amendments to Section 1.01 of the Original Indenture.

(a) In accordance with Section 12.01(g) of the Indenture, the definition of "Escrowed Municipals" is hereby amended and shall hereinafter read as follows:

"Escrowed Municipals" means obligations of state or local governments secured by an irrevocable escrow of Federal Securities; provided that such obligations shall be rated in the highest long term rating category by a nationally recognized rating service.

(b) In accordance with Section 12.01(g) of the Indenture, the definition of "Permitted Investments" in Section 1.01 of the Original Indenture is hereby amended so that clause (4) thereof will read as follows:

(4) Certificates of deposits issued by, or interest bearing time deposit accounts with, banks or savings banks organized under the laws of the State of Indiana or the United States of America including the Trustee, which deposits or certificates are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or to the extent not so insured are fully collateralized by obligations described in clauses (1) or (3) based upon market value, which obligations are in the possession of the Trustee or its agent and are free and clear of all security interests, liens or other rights of any third party, and in which obligations, the Trustee has a first perfected security interest; provided such banks or savings banks, including the Trustee have capital, surplus and undivided profits in excess of \$50,000,000; provided, further, that no such deposit or certificate shall be in excess of ten percent of such capital, surplus and undivided profits, in either case; and

(c) In accordance with Section 12.01(i), the definition of "Reserve Fund Insurer" is hereby amended and shall hereinafter read as follows:

"Reserve Fund Insurer" means the Municipal Bond Insurance Association and the Municipal Bond Investors Assurance Corporation."

Section 6.02. Amendment to Section 6.03 of the Original Indenture. In accordance with Section 12.01(h) of the Indenture, the last paragraph of Section 6.03 of the Original Indenture is hereby amended and shall hereinafter read as follows:

"If the rating of any such banking institution, parent or holding corporation is down-graded below the two highest full rating categories or is otherwise terminated or not renewed by the Issuer, then the Issuer shall promptly either (i) direct the Trustee to draw on such letter of credit and deposit the proceeds of said drawing to the Reserve Fund in satisfaction of the Reserve Fund Requirement or (ii) otherwise provide funds for deposit into the Reserve Fund in satisfaction of the Reserve Fund Requirement."

**Section 6.03. Amendment to Section 6.05 of the Original Indenture.** In accordance with Section 12.01(h) of the Indenture, Section 6.05 of the Original Indenture is amended to add the following new final sentence:

"For purposes of the Section 6.05, it is hereby understood and agreed that certain terms of a Reserve Fund Credit Instrument with respect to repayment and reinstatement may be embodied in certain collateral documents, including particularly with respect to the Reserve Fund Credit Instrument issued by the MBIA Corporation, the Financial Guaranty Agreement, and the reinstatement and repayment shall be made in accordance with such collateral documents."

**Section 6.04. Amendment to Section 10.01 of the Original Indenture.** In accordance with Section 12.01(i) of the Indenture, Section 10.01 of the Original Indenture is hereby amended and shall hereinafter read as follows:

"Section 10.01. Rights of Enforcement. All rights of action under or in respect of this Indenture shall be exercised only by the Trustee and no holder of any Bond issued hereunder shall have any right to institute any suit, action or proceeding at law or in equity for any remedy hereunder or by reason hereof, unless and until the Trustee shall have received the written request of the holders of not less than twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder (or any provider of a Credit Support Instrument or a Reserve Fund Credit Instrument to the extent provided in the applicable Supplemental Indenture) and shall have been offered reasonable indemnity and shall have refused or for thirty (30) days thereafter neglected to institute such suit, action or proceeding; and it is hereby declared that the making of such request and the furnishing of such indemnity are in each case conditions precedent to the execution and enforcement by any such holder or holders of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any such holder or holders of any action or cause of action for any remedy hereunder; but the Trustee may, in its discretion and, when thereunto duly requested in writing by the holder or holders of at least twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder or the provider of a Credit Support Instrument or a Reserve Fund Credit Instrument and furnished indemnity satisfactory to it against expenses, charges and liabilities, shall forthwith take default on the part of the Issuer as the Trustee may deem expedient in the interest of the holders of the Bonds outstanding hereunder. Nothing in this Indenture contained, however, shall affect or impair the obligation of the Issuer to pay the principal of and the interest on each of the Bonds issued hereunder to the respective holders thereof at the time and place and in the manner herein provided."

**Section 6.05. Amendment to Section 10.02 of the Original Indenture.** In accordance with Section 12.01(i) of the Indenture, Section 10.02 of the Original Indenture is hereby amended and shall hereinafter read as follows:

"Section 10.02. Events of Default and Action Thereon. If any one or more of the following events, hereby defined as and hereinafter called "events of default" shall happen, that is to say:

(a) Default shall be made in the payment by the Issuer of the principal of any one or more of the Bonds when the same shall become due and payable by lapse of time, by call for redemption, or otherwise; or

(b) Default shall be made in the payment by the Issuer of any interest on any one or more Bonds when the same shall become due and payable as therein and herein expressed; or

(c) Default shall be made by the Issuer or any of its officers in the observance or performance of any other of the covenants, conditions or obligations in the Bonds or in this Indenture expressed and such default is not remedied within thirty (30) days after written notice so to do from the Trustee, which may serve such notice in its discretion and shall serve the same at the written request of the holders of not less than twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder or a provider of a Credit Support Instrument or a Reserve Fund Credit Instrument; or

(d) The Issuer shall (i) admit in writing its inability to pay its debts generally as they become due, (ii) have an order for relief entered in any case commenced by or against it under federal bankruptcy laws, as now or hereafter in effect, (iii) commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar laws, or have such a proceeding commenced against it and have either an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstaged for 90 days, (iv) make an assignment for the benefit of creditors, or (v) have a receiver or trustee appointed for it or for the whole or substantial part of its property.

then and in every such event the Trustee may, in its discretion, and, upon the written request of the holders of twenty-five percent (25%) in principal amount (or, in regard to certain Series A Bonds, the compounded amount or the compounded accreted value) of the Bonds then outstanding hereunder or the provider of a Credit Support Instrument or a Reserve Fund Credit Instrument and upon being indemnified to its satisfaction by the party requesting such action, shall proceed to protect and enforce its rights and the rights of the holders of the Bonds by suit or suits at law or in equity, whether for the specific performance of any covenant or agreement herein contained, or in execution or aid of any power herein granted, or for the enforcement of any other proper legal or equitable remedy as the Trustee, being advised by the counsel, shall deem most effectual to protect and enforce its rights and the rights of such holders of the Bonds."

Section 6.06. Amendment to Section 11.01 of the Original Indenture. In accordance with Section 12.01(i) of the Indenture, Section 11.01 of the Original Indenture is hereby amended and shall hereinafter read as follows:

"Section 11.01. Defeasance and Discharge. If (1) the Issuer shall pay, or cause to be paid, or there shall otherwise be paid, to the holders of all Bonds the principal of and the applicable redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, (2) the Issuer shall pay all expenses and fees of the Trustee and any paying agent, (3) the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept,

performed and observed by it or on its part, and (4) the Issuer shall pay or cause to be paid all amounts owed under any Credit Support Instrument or Reserve Fund Credit Instrument, then the pledge of the Pledged Funds, and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer, and upon request of the Issuer shall execute and deliver all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and paying agents shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to this Indenture which are not required for the payment of principal of and the applicable redemption premiums, if any, and interest on Bonds. If the Issuer shall pay or cause to be paid, or make provision for payment in accordance with this Article, to the holders of all Outstanding Bonds of a particular series, or of a particular maturity within a series, the principal of and the applicable redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Agreement, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture (except with respect to the moneys or Federal Securities or Escrowed Municipals deposited as required by Section 11.02) and all covenants, agreements and obligations of the Issuer to the holders of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied."

(End of Article VI)

I. U.  
FIFTH SUPP.  
IND.

ARTICLE VI

Miscellaneous

Section 6.01. Amendment to Section 7.05 of the Original Indenture. The penultimate sentence of Section 7.05 of the Original Indenture is hereinafter amended to read as follows:

No later than 150 days after the close of each Fiscal Year, beginning with the Fiscal Year ending June 30, 1989, the Issuer will furnish to the Trustee or any owner of at least \$5,000,000 in aggregate principal amount of the Bonds who shall request the same in writing, copies of reports, certified by the Treasurer of the Issuer, reflecting in reasonable detail the status of the books and records described above.

Section 6.02. Consents, Etc., of Bondholders. Subject to Section 2.08(d) hereof, any consent, request, direction, approval, objection or other instrument required by the Fifth Supplemental Indenture to be executed by the Series F Bondholders may be in any number of substantially concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Proof of execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

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 acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 6.03. Severability. If any provision of this Fifth Supplemental 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 in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof 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 Fifth Supplemental Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 6.04. Notices. Except as otherwise specifically provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper on any party if the same shall be duly mailed by registered or certified mail to such parties at the following addresses:

I.U.  
SEVENTH SUPP.  
IND.  
6-1-91

ARTICLE VI  
MISCELLANEOUS

Section 6.01. Amendments. (a) Upon receipt of consent of holders of not less than 51% in principal amount (or in regard to certain Bonds, the compounded amount or the compounded accreted value) of the Bonds at anytime outstanding under the Indenture (calculated as provided hereafter in this Section 6.01), Section 1.01 of the Amended Indenture, is hereby further amended by adding the following paragraphs to the definition of Permitted Investments:

"(6) Investment agreements which are issued by banks or insurance companies who are, or which agreements are, at the time of issuance, execution and delivery of such agreements, rated in the two highest full rating categories by Moody's Investors Service and Standard & Poor's Corporation, or investment agreements in form acceptable to MBIA Corporation by financial institutions acceptable to MBIA Corporation."

(b) In accordance with Section 13.01 of the Indenture and upon consent of the holders of not less than 100% in principal amount (or in regard to certain Bonds, the compounded amount or the compounded accreted value) of Bonds then outstanding, the Amended Indenture shall be further amended as follows:

Section 6.03 of the Amended Indenture is amended by deleting the second paragraph thereof and inserting the following in substitution thereof:

Except as provided hereinafter, in connection with the issuance of any additional Bonds, there shall be deposited in the Reserve Fund an amount sufficient to maintain such fund in an amount equal to the Reserve Fund Requirement. No deposit need be made in the Reserve Fund on account of any series of additional Bonds if the amount on deposit in the Reserve Fund equals the Reserve Fund Requirement. Additional Bonds may be issued which shall be on a parity with outstanding Bonds under this Indenture (except with respect to the Reserve Fund) for which no Reserve Fund Requirement shall exist. Such Bonds shall have no claim on the Reserve Fund.

(c) Pursuant to the provisions of Section 12.01(c), (e) and (h), but solely with respect to the Series H Bonds and all series of Bonds issued hereunder subsequent to the issuance of the Series H Bonds, Section 11.02 of the Amended Indenture is amended by adding a second paragraph thereto as follows:

With respect to the Series H Bonds and all Bonds issued subsequent thereto, the escrow or defeasance agreement accomplishing the defeasance described in this Section may provide that such escrow may be restructured to provide for an earlier or a later redemption of Bonds being defeased thereby than contemplated in the original defeasance or escrow agreement or to provide that the escrow may be restructured to allow a defeasance to maturity of Bonds previously intended to be called for redemption at a prior date pursuant to the original escrow or defeasance agreement. Any restructuring of an escrow described in this paragraph may only be accomplished when, to the reasonable satisfaction of the Trustee, the continued

sufficiency of the escrow to accomplish its intended tasks has been verified and when the Trustee has received an opinion of Bond Counsel that such restructuring will not adversely affect the tax status of interest on the Bonds nor result in a violation of any other applicable federal tax or securities laws.

(d) Pursuant to the provisions of Section 12.01(c), (e) and (h), but solely with respect to the Series H Bonds and all series of bonds issued hereunder subsequent to the issuance of the Series H Bonds, Section 11.02 of the Amended Indenture is amended by adding a third paragraph thereto as follows:

With respect to the Series H Bonds, and all bonds issued subsequent thereto, the term "Federal Securities" as used in this Article shall mean direct obligations of or obligations the timely payment of principal of or interest on which is unconditionally guaranteed by the United States of America.

(e) Purchasers of the Series H Bonds and all Bonds subsequent to the Series H Bonds shall be deemed to have consented to the amendments described in this Section 6.01 upon purchase of and payment for such series of parity bonds if, to the satisfaction of the Trustee, express disclosure of the terms of these amendments and deemed consent provisions shall have been made to such purchasers. The Trustee shall be entitled to rely upon a certificate from the underwriter (or the lead or senior manager of an underwriting syndicate or selling group) for such Bonds to the effect that the underwriter is thereby expressly giving consent to such amendments and further evidencing that an Official Statement has been delivered to all original purchasers.

Section 6.02. Consents, Etc., of Bondholders. Subject to Section 2.08(d) hereof, any consent, request, direction, approval, objection or other instrument required by the Seventh Supplemental and Amendatory Indenture to be executed by the Series H Bondholders may be in any number of substantially concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Proof of execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

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 acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 6.03. Severability. If any provision of this Seventh Supplemental and Amendatory 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 in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof 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.

I.U.  
Eleventh  
Supp. Ind.

## ARTICLE VI.

## MISCELLANEOUS

Section 6.01. Amendments. (a) In accordance with Section 13.01 of the Original Indenture and upon consent of the holders of not less than 100% in principal amount (or, in regard to certain Bonds, the compounded amount or the compounded accreted value) of the Bonds then Outstanding, Section 6.03 of the Amended Indenture shall be, and it hereby is, amended by adding a new paragraph thereto, which new paragraph shall appear as the seventh paragraph thereof and shall be as follows:

Notwithstanding any other terms of this Indenture, there shall be no Reserve Fund Requirement for any Bonds and no Bonds shall have any claim on the Reserve Fund, except to the extent provided in the Supplemental Indenture pursuant to which such Bonds are issued.

(b) In accordance with Section 13.01 of the Original Indenture and upon consent of the holders of not less than 51% in principal amount (or, in regard to certain Bonds, the compounded amount or the compounded accreted value) of the Bonds then Outstanding, the last sentence of Section 4.02(a) of the Amended Indenture shall be, and it hereby is, amended in its entirety to be as follows:

Notwithstanding any other terms of this Indenture, including without limitation the formula for calculation of interest on Variable Rate Bonds as found in the definition of Maximum Annual Debt Service, for purposes of this paragraph, interest on any Variable Rate Bonds shall be calculated at an assumed per annum rate equal to the then most recently published Bond Buyer Revenue Bond Index (or, if such index is no longer published, any comparable index selected by the Issuer).

Section 6.02. Consents, Etc., of Bondholders. (a) Subject to Section 2.08(d) hereof, any consent, request, direction, approval, objection or other instrument required by this Eleventh Supplemental and Amendatory Indenture to be executed by the Bondholders may be in any number of substantially concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Proof of execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent, if made in the following manner, shall be sufficient for any of the purposes of the Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(b) 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 acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.