MARKED TO SHOW EFFECT OF PROPOSED AMENDMENTS WITH **<u>ADDITIONS IN BOLD AND UNDERLINED</u>** AND ~~DELETIONS STRUCKOUT~~

LOAN AND TRUST AGREEMENT

among

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

and

TRUSTEES OF BOSTON UNIVERSITY

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

Dated as of October 1, 2016

And Providing for the Issue of

$111,270,000
Massachusetts Development Finance Agency
Revenue Bonds, Boston University Issue,
Series BB-1 (2016)

$52,260,000
Massachusetts Development Finance Agency
Revenue Bonds, Boston University Issue,
Series BB-2 (2016)

and

$38,290,000
Massachusetts Development Finance Agency
Revenue Bonds, Boston University Issue,
Series BB-3 (2016)

Dated the Date of Delivery

ARTICLE I
INTRODUCTION AND DEFINITIONS.

Section 101. Description of the Agreement and the Parties. This LOAN AND TRUST AGREEMENT (the "Agreement") is entered into as of October 1, 2016, by the Massachusetts Development Finance Agency, a body corporate and politic and a public instrumentality of The Commonwealth of Massachusetts created by and existing under the Massachusetts General Laws, Chapter 23G (with its successors, the "Issuer"), Trustees of Boston University (with its successors, the "Institution") and U.S. Bank National Association, a national banking association, as Trustee (with its successors, the "Trustee"). This Agreement is a financing document combined with a trust agreement as one instrument under Massachusetts General Laws Chapters 23G and 40D, each as amended (the "Act").

This Agreement provides for the following transactions:

(a) the Issuer's issue of the Bonds;

(b) the Issuer's loan of the proceeds of the Bonds to the Institution for the purpose of financing and refinancing the Project;

(c) the Institution's repayment of the loan of Bond proceeds from the Issuer through payment to the Trustee of all amounts necessary to pay the Bonds issued by the Issuer;

(d) **[Reserved].**~~the Institution's pledge of certain tuition receipts to the Trustee in trust for the benefit and security of the Bondowners~~; and

(e) the Issuer's assignment to the Trustee in trust for the benefit and security of the Bondowners of certain of the Issuer's rights under this Agreement and the Revenues to be received hereunder and the rights to receive the same.

In consideration of the mutual agreements contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Institution and the Trustee agree as set forth herein for their own benefit and for the benefit of the Bondowners, provided that any financial obligation of the Issuer hereunder shall not be a general obligation of the Issuer nor a debt or pledge of the faith and credit of The Commonwealth of Massachusetts, but shall be payable solely from the funds and Revenues pledged under this Agreement.

Section 102. Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings in this Agreement, unless the context otherwise requires:

(a) "Act" has the meaning set forth in Section 101.

(b) ~~"Alternative Indebtedness Agreement" means the Alternative Indebtedness Agreement dated April 30, 2013 among the Issuer, the Institution, the Series H Trustee, the Series N Trustee, the Series T Trustee, the Series U Trustee, the Series W Trustee, the Series X Trustee, the Series Y Trustee, the Series Z Trustee, the Series AA Trustee, the Banks and any~~

~~additional parties from time to time executing a Joinder Agreement in the form attached thereto as Exhibit A, including the Trustee, and any successor agreement.~~

(c) “Authorized Officer” means: (i) in the case of the Issuer, the President and Chief Executive Officer; the Treasurer, Chief Financial Officer and Executive Vice President for Finance & Administration; the Executive Vice President for Finance Programs; the Executive Vice President for Real Estate; the General Counsel and Secretary; or the Senior Vice President for Investment Banking; and when used with reference to an act or document of the Issuer also means any other person authorized to perform the act or execute the document; (ii) in the case of the Institution, the Chairman or other presiding officer of the Board of Trustees, the President or other chief executive or administrative officer, the Senior Vice President, Chief Financial Officer and Treasurer, or other chief financial officer or any Assistant Treasurer, and when used with reference to an act or document of the Institution, also means any other person authorized to perform the act or execute the document; and (iii) in the case of the Trustee, any officer working in its corporate trust department with direct responsibility for the administration of this Agreement and also means any other officer to whom a matter relating to this Agreement is referred because of his or her knowledge of and familiarity with the particular subject.

(d) “~~Balloon Indebtedness” means Long-Term Indebtedness which is secured by a refinancing arrangement meeting the requirements of Section 1008 or which is part of an issue of Indebtedness twenty-five percent (25%) or more of which has its Date of Maturity in the same twelve (12) month period.~~

(e) ~~“Bank” or “Banks” means the issuer or issuers from time to time of any irrevocable letter(s) of credit for any bonds of the Institution that are secured by a lien on the tuition receipts of the Institution on a parity with the lien securing the Bonds.~~

(f) “Bond Counsel” means any attorney at law or firm of attorneys selected by the Institution and satisfactory to the Issuer, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States.

(g) “Bondowners” or “Owners” means the registered owners of the Bonds from time to time as shown in the books kept by the Trustee as bond registrar and transfer agent.

(h) “Bonds” means the $201,820,000 Massachusetts Development Finance Agency Revenue Bonds, Boston University Issue, Series BB (2016), dated the date of original delivery thereof, consisting of $111,270,000 Series BB-1 (the “Series BB-1 Bonds”), $52,260,000 Series BB-2 (the “Series BB-2 Bonds”), and $38,290,000 Series BB-3 (the “Series BB-3 Bonds”), and any Bond or Bonds duly issued in exchange or replacement therefor.

(i) “Business Day” means a day on which banks in the city in which the principal office of the Trustee is located is not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

(j) "Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated as of the date of issuance of the Bonds between the Institution and U.S. Bank National Association, as dissemination agent, as originally executed and as it may be amended from time to time in accordance with its terms.

(k) ~~"Date of Maturity" means as to any Indebtedness of the Institution, as of any date of determination, the first date thereafter on which such Indebtedness is payable, whether at maturity, by mandatory redemption (or purchase) or by redemption (or purchase) at the option of the holders; provided, that if portions of any Indebtedness are payable on different dates, the Date of Maturity shall be separately determined for each such portion. Balloon Indebtedness may be deemed to be payable as provided in Section 1008 in order to adjust actual Dates of Maturity for such Indebtedness to assumed Dates of Maturity, to be used in calculating Total Principal and Interest Requirements.~~

(l) "Government or Equivalent Obligations" means (i) obligations issued or guaranteed by the United States; (ii) certificates evidencing ownership of the right to the payment of the principal of and interest on obligations described in clause (i), provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee or the Issuer, as the case may be, in a special account separate from the general assets of such custodian; and (iii) bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (A) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, (B) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) or (ii) which fund may be applied only to the payment when due of interest, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (C) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) or (ii), as the case may be, which have been deposited in such fund on deposit in such fund is sufficient to pay interest when due, principal of and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (A) of this clause (iii), as appropriate.

(m)~~"Hedge Agreement" means an interest rate swap, cap, collar, floor, forward, or other hedging agreement, arrangement or security, however denominated, expressly identified pursuant to its terms as being entered into in connection with and in order to hedge interest rate fluctuations on all or a portion of any Indebtedness.~~

(n) "Indebtedness" shall mean all obligations of the Institution for borrowed money, or installment sale and capitalized lease obligations, incurred or assumed, including guaranties, Long-Term Indebtedness, Short-Term Indebtedness, subordinated Indebtedness or any other obligation of the Institution for payments of principal and interest with respect to money borrowed.

(o) "IRC" means the Internal Revenue Code of 1986, as it may be amended and applied to the Bonds from time to time.

(p) "Long-Term Indebtedness" means any Indebtedness which is not Short-Term Indebtedness.

(q) ~~"Maximum Total Principal and Interest Requirements" means the highest Total Principal and Interest Requirements for the then current or any future year during which any Bonds are Outstanding.~~

(r) "Moody's" means Moody's Investors Service, Inc., or any successor rating agency.

(s) "Opinion of Bond Counsel" means an opinion of Bond Counsel to the effect that the matter or action in question will not have an adverse impact on the tax-exempt status of the Bonds for federal income tax purposes.

(t) "Outstanding," when used to modify Bonds, refers to Bonds issued under this Agreement, excluding: (i) Bonds that have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment or a sinking fund installment, if any; (ii) Bonds that have been paid; (iii) Bonds that have become due and for the payment of which moneys have been duly provided; and (iv) Bonds for which there have been irrevocably set aside sufficient funds, or Government or Equivalent Obligations bearing interest at such rates, and with such maturities as will provide sufficient funds, to pay or redeem them, provided, however, that if any such Bonds are to be redeemed prior to maturity, the Issuer shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with this Agreement or irrevocable instructions so to mail shall have been given to the Trustee.

(u) ~~"Parity Tuition Lien Agreements" means, collectively, the Series H Agreement, the Series N Agreement, the Series T Agreement, the Series U Agreement, the Series W Agreement, the Series X Agreement, the Series Y Agreement, the Series Z Agreement, the Series AA Agreement, and the Reimbursement Agreements.~~

(v) ~~"Parity Tuition Lien Indebtedness" means, collectively, the Series H Bonds, the Series N Bonds, the Series T-2 Bonds, the Series U Bonds, the Series W Bonds, the Series X Bonds, the Series Y Bonds, the Series Z Bonds, the Series AA Bonds and the Reimbursement Obligations.~~

(w) "Project" means the acquisition of land, site development, construction or alteration of buildings or the acquisition or installation of furnishings and equipment, or any combination of the foregoing, in connection with the following projects located or to be located at the Institution's Charles River Campus (located within the boundaries of the Charles River (North), Beacon Street (South), Kenmore Square (East) and Malvern Street (West)) and Medical School Campus (located within the boundaries of West Dedham Street (North), Interstate 93 (East), Melnea Cass Boulevard and the Massachusetts Avenue Connector (South), and Washington

Street (West)) in Boston, Massachusetts, and other locations in Boston Massachusetts and Lenox, Massachusetts noted below (collectively, the "Campuses"):

New Part of the Project: with respect to the Series BB-1 Bonds, the following projects: (i) interior and exterior renovations to the Myles Standish residence hall and annex located at 610 Beacon Street, including new windows, exterior stonework and brickwork, HVAC improvements, the installation of three additional elevators, the redesign of existing dorm rooms, streetscape improvements and the addition of an open space plaza; and (ii) other routine construction, acquisition, renovation, furnishing, equipping and other capital expenditures on the Campuses included in the Institution's capital budget over the next three years, including but not limited to renovation of dormitories and dining halls and the replacement and/or upgrade of HVAC and other utilities on the Campuses.

Existing Part of the Project:

(i) With respect to the Series BB-2 Bonds, the following projects originally financed with the proceeds of the Series U-4 Bonds: (1) the construction of a new dormitory with approximately 960 beds at 33 Buick Street; (2) acquisition of the property and buildings (and the potential demolition of such buildings) located at 815 Albany Street for the future purpose of housing medical students; (3) construction of a 2-story, approximately 4,000 square foot addition to the east side of the Towers Building located at 140 Bay State Road and internal renovations at 140 Bay State Road for a dining hall with seating for approximately 850 students; (4) overhaul of HVAC system at 582-596 Commonwealth Avenue; (5) renovations and equipping of the central heating and cooling plant at 763 Commonwealth Avenue; (6) architecture and design of a building for the Law School adjacent and connected to the current tower located at 765 Commonwealth Avenue; (7) renovations and upgrades to the College of Fine Arts building located at 855 Commonwealth Avenue; (8) renovations to various administrative offices and classrooms located at 25 Buick Street and 985 Commonwealth Avenue; and (9) other construction, acquisition, renovation, furnishing, equipping and other capital expenditures on the Campuses including but not limited to renovation of dormitories and dining halls and the replacement and/or upgrade of HVAC and other utilities on the Campuses, all in Boston, Massachusetts;

(ii) With respect to the Series BB-3 Bonds, the projects refinanced with proceeds of the Series V-1 Bonds, which projects were originally financed and/or refinanced with proceeds of the Series H Bonds, as described in Schedule A attached hereto and incorporated herein by reference.

The word "Project" also refers to the facilities that result or have resulted from the foregoing activities. The scope of the Project may be increased or decreased upon certification by the Project Officer on behalf of the Institution to the Trustee and the Issuer describing the change, estimating the resulting increase or decrease in the cost of the Project and stating that the amendment will not cause the Project to violate any applicable building, zoning, land use, environmental protection, historical, sanitary, safety or educational laws, rules and regulations or applicable grant, reimbursement or insurance requirements or the provisions of this Agreement. The signers of the certificate may rely, as to conclusions of law, on an opinion of counsel furnished to the Issuer and referred to in the certificate. The Issuer may waive any provision required to be contained in the certificate upon advice of counsel that the waiver does not adversely affect the security for the Bonds. The scope of the Project may be increased only upon (i) approval by the Issuer and (ii) receipt by the Issuer and the Trustee of an Opinion of Bond Counsel regarding the increase in scope.

(x) "Project Costs" means the costs of issuing the Bonds and carrying out the Project, including repayment of external loans and internal advances for the same to the extent permitted by this Agreement and the Tax Certificate, working capital expenditures directly related to the Project to the extent permitted by the IRC, and interest prior to, during and for up to one year after construction is substantially complete, but excluding general administrative expenses, overhead of the Institution and interest on internal advances.

(y) "Project Officer" means any Authorized Officer of the Institution.

(z) "Rating Agencies" means any of Moody's or S&P, which is then providing a rating on the Bonds.

(aa) "Rebate Provision" shall have the meaning set forth in Section 305(a).

(bb) "Rebate Year" means the one year period (or shorter period beginning on the date of issue) ending on June 30 of each year; provided that the first Rebate Year with respect to the Bonds shall be deemed to end on June 30, 2017.

(cc) "~~Reimbursement Agreement" or "Reimbursement Agreements" means the Reimbursement Agreements between the respective Bank and the Institution with respect to the Series H Bonds, the Series N Bonds and the Series U Bonds (other than the Series U-1 Bonds, the Series U-2 Bonds, the Series U-5A Bonds, the Series U-5B Bonds, the Series U-6A Bonds and the Series U-6E Bonds), and in each case any amendments and supplements thereto. References in this Agreement to "Reimbursement Agreement" shall be deemed to apply to the respective Reimbursement Agreement applicable to the Series H Bonds, the Series N Bonds and each applicable subseries of Series U Bonds.~~

(dd) ~~"Reimbursement Obligations" means all indebtedness, obligations and liabilities of the Institution to each Bank under its respective Reimbursement Agreement that are secured on a parity with the Bonds pursuant to Section 308(d) of this Agreement.~~

(ee) "Revenues" means all rates, payments, rents, fees, charges, and other income and receipts, including proceeds of insurance, eminent domain and sale, and including proceeds derived from any security provided hereunder, payable to the Issuer or the Trustee under this Agreement, excluding administrative fees of the Issuer, fees of the Trustee, reimbursements to the Issuer or the Trustee for expenses incurred by the Issuer or the Trustee, and indemnification of the Issuer and the Trustee.

(ff) "S&P" means S&P Global Ratings, or any successor rating agency.

(gg) ~~"Series H Bonds" means the Massachusetts Health and Educational Facilities Authority Revenue Bonds, Boston University Issue, Series H, dated as of the date of delivery thereof issued in the original principal amount of $77,700,000 pursuant to the Loan and Trust Agreement dated as of December 3, 1985, as supplemented and amended to date (the "Series H Agreement"), among the Issuer (as successor to the Massachusetts Health and Educational Facilities Authority), the Institution and The First National Bank of Boston, as trustee (the "Series H Trustee").~~

(hh) ~~"Series N Bonds" means the Massachusetts Health and Educational Facilities Authority Revenue Bonds, Boston University Issue, Series N, Select Auction Variable Rate Securities (Federally Taxable), dated January 18, 1995 issued in the original principal amount of $47,000,000, dated April 18, 1996 issued in the original principal amount of $50,000,000, and dated April 3, 1997 issued in the original principal amount of $40,000,000, issued pursuant to the Loan and Trust Agreement dated as of November 1, 1994, as supplemented and amended by the First Supplemental Agreement dated as of April 18, 1996, the Second Supplemental Agreement dated as of April 3, 1997 and the Third Supplemental Agreement dated May 15, 2008 (collectively, the "Series N Agreement"), each among the Issuer (as successor to the Massachusetts Health and Educational Facilities Authority), the Institution and Deutsche Bank Trust Company Americas, as trustee (the "Series N Trustee").~~

(ii) ~~"Series T-2 Bonds" means the Issuer's Revenue Bonds, Boston University Issue, Series T-2 (Federally Taxable), issued in the original aggregate principal amount of $4,260,000 pursuant to the Loan and Trust Agreement dated as of March 10, 2004 (the "Series T Agreement") among the Issuer, the Institution and The Bank of New York Trust Company, N.A., as trustee (the "Series T Trustee").~~

(jj) ~~"Series U Bonds" means the Issuer's Variable Rate Demand Revenue Bonds, Boston University Issue, Series U-1, Series U-2, Series U-3, Series U-4, Series U-5A, Series U-5B, Series U-6A, Series U-6B, Series U-6C, Series U-6D and Series U-6E, issued in the original aggregate principal amount of $536,365,000 pursuant to the Loan and Trust Agreement dated as of May 1, 2008 as amended and supplemented to date (the "Series U Agreement") among the Issuer, the Institution and The Bank of New York Trust Company, N.A., as trustee (the "Series U Trustee").~~

(kk) ~~"Series U-4 Bonds" means the Issuer's Variable Rate Demand Bonds, Boston University Issue, Series U-4, issued in the original aggregate principal amount of $50,000,000 pursuant to the Series U Agreement.~~

(ll) ~~"Series V-1 Bonds" means the Issuer's Revenue Bonds, Boston University Issue, Series V-1, issued in the original aggregate principal amount of $44,000,000 pursuant to the Loan and Trust Agreement dated as of November 1, 2009 (the "Series V Agreement"), among the Issuer, the Institution and U.S. Bank National Association, as trustee (the "Series V Trustee").~~

(mm) ~~"Series W Bonds" means the Boston University Taxable Revenue Bonds, Series W, issued in the original aggregate principal amount of $100,470,000 pursuant to the Indenture~~

~~of Trust dated as of August 1, 2011 (the "Series W Agreement"), between the Institution and U.S. Bank National Association, as trustee (the "Series W Trustee").~~

(nn) ~~"Series X Bonds" means the Issuer's Revenue Bonds, Boston University Issue, Series X (2013), issued in the original aggregate principal amount of $111,485,000 pursuant to the Loan and Trust Agreement dated as of April 1, 2013 (the "Series X Agreement") among the Issuer, the Institution and U.S. Bank National Association, as trustee (the "Series X Trustee").~~

(oo) ~~"Series Y Bonds" means the Issuer's Revenue Bonds, Boston University Issue, Series Y (2014), issued in the original aggregate principal amount of $35,000,000 pursuant to the Loan and Trust Agreement dated as of September 1, 2014 (the "Series Y Agreement") among the Issuer, the Institution and U.S. Bank National Association, as trustee (the "Series Y Trustee").~~

(pp) ~~"Series Z Bonds" means, collectively, (i) the Issuer's Revenue Bonds, Boston University Issue, Series Z-1 (2014), issued in the original aggregate principal amount of $63,170,000 and (ii) the Issuer's Revenue Bonds, Boston University Issue, Series Z-2 (2014), issued in the original aggregate principal amount of $10,200,000, both of which were issued pursuant to the Loan and Trust Agreement dated as of September 1, 2014 (the "Series Z Agreement") among the Issuer, the Institution and U.S. Bank National Association, as trustee (the "Series Z Trustee").~~

(qq) ~~"Series AA Bonds" means, collectively, (i) the Issuer's Revenue Bonds, Boston University Issue, Series AA-1 (2015), issued in the original aggregate principal amount of $81,370,000, and (ii) the Issuer's Revenue Bonds, Boston University Issue, Series AA-2 (2015), issued in the original aggregate principal amount of $81,370,000, both of which were issued pursuant to the Loan and Trust Agreement dated as of September 1, 2015 (the "Series AA Agreement") among the Issuer, the Institution and U.S. Bank National Association, as trustee (the "Series AA Trustee").~~

(rr) "Short-Term Indebtedness" shall mean any issue of Indebtedness no portion of which has a Date of Maturity more than one year from the date of original issuance thereof.

(ss) "Tax Certificate" means the Tax Certificate and Agreement between the Issuer and the Institution dated the date of original issuance of the Bonds.

(tt) "~~Total Principal and Interest Requirements" means amounts required during a year (or twelve (12) consecutive calendar months) to amortize principal and to pay interest (other than capitalized interest) on Long-Term Indebtedness, taking into account in determining the Total Principal and Interest Requirements for any future period that (i) at the election of the Institution, Indebtedness described in Section 1008 shall be deemed payable on the dates and in the amounts contemplated in such section; (ii) principal on all Indebtedness shall be deemed to be payable on the Date of Maturity thereof; (iii) the amounts of principal and interest taken into account during such period shall exclude amounts payable from proceeds of any refunding Indebtedness issued during such period or from interest earnings on the proceeds of such refunding Indebtedness; and (iv) in the event that there shall have been issued or entered into in~~

~~respect of all or a portion of any Indebtedness a Hedge Agreement, and (A) interest on such Indebtedness or such portion of such Indebtedness is payable at a variable rate of interest for any future period of time or is calculated at a varying rate per annum, and (B) a fixed rate is specified as payable by the Institution in such Hedge Agreement or such Indebtedness, taken together with the Hedge Agreement, results in a net fixed rate payable by the Institution for such period of time (the "Hedge Fixed Rate"), assuming the Institution and the party(ies) with whom the Institution has entered into the Hedge Agreement make all payments required to be made by the terms of the Hedge Agreement, then such Indebtedness shall be deemed for all purposes hereunder to bear interest for such period of time at the Hedge Fixed Rate and all provisions hereof applicable for fixed rate indebtedness shall apply with respect thereto. Computations of debt service on Long-Term Indebtedness shall include an amount representing 25% of the debt service on obligations of others for borrowed money guaranteed by the Institution ; provided, however, that if such guaranteed obligations are in default, computations shall include 100% of the debt service on such obligations. If any issue of Long-Term Indebtedness bears other than a fixed rate of interest the rate of interest on such indebtedness shall be calculated at the 30-year Bond Buyer Revenue Bond Index (published in The Bond Buyer, New York, New York no more than two (2) weeks prior to the date of calculation), or, if such index is no longer available, such index for comparable thirty (30) year maturity tax-exempt revenue bonds as may be certified to the Issuer and the Trustee by a firm of investment bankers or a financial advisor firm.~~

(uu) "UCC" means the Massachusetts Uniform Commercial Code.

Words importing persons include firms, associations and corporations, and the singular and plural form of words shall be deemed interchangeable wherever appropriate.

ARTICLE II
THE ASSIGNMENT AND PLEDGE.

Section 201. The Assignment and Pledge of Revenues; Funds. The Issuer assigns and pledges to the Trustee in trust upon the terms hereof (a) all Revenues to be received from the Institution or derived from any security provided hereunder, (b) all rights to receive such Revenues and the proceeds of such rights, (c) all funds and investments held from time to time in the funds established under this Agreement and (d) all of its right, title and interest in this Agreement, including enforcement rights and remedies but excluding certain rights of indemnification and to reimbursement of certain expenses as set forth herein. This assignment and pledge does not include: (i) the rights of the Issuer pursuant to provisions for consent, concurrence, approval or other action by the Issuer, notice to the Issuer or the filing of reports, certificates or other documents with the Issuer; (ii) the right of the Issuer to any payment or reimbursement pursuant to Subsections 308(f), Section 1010 and Subsection 803(c); or (iii) the powers of the Issuer as stated herein to enforce the rights set forth in subclauses (i) and (ii) of this sentence. As additional security for its obligations to make payments to the Debt Service Fund and the Redemption Fund, and for its other payment obligations under this Agreement, the

Institution hereby grants to the Trustee a security interest in its interest in the moneys and other investments held from time to time in the funds established under this Agreement.

Section 202. Defeasance. When there are in the Debt Service Fund and Redemption Fund sufficient funds, or Government or Equivalent Obligations in such principal amounts, bearing interest at such rates and with such maturities as will provide sufficient funds to pay or redeem the Bonds in full, and when all the rights hereunder of the Issuer and the Trustee have been provided for, upon written notice from the Institution to the Issuer and the Trustee, the Bondowners shall cease to be entitled to any benefit or security under this Agreement except the right to receive payment of the funds deposited and held for payment and other rights which by their nature cannot be satisfied prior to or simultaneously with termination of the lien hereof (including obligations of the Institution under Sections 305 and 1002), the security interests created by this Agreement (except in such funds and investments) shall terminate, and the Issuer and the Trustee shall execute and deliver such instruments as may be necessary to discharge the lien and security interests created hereunder; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Trustee and the Institution, as applicable, shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with this Agreement or irrevocable instructions so to mail shall have been given to the Trustee. Upon such defeasance, the funds and investments required to pay or redeem the Bonds in full shall be irrevocably set aside for that purpose, subject, however, to Section 312 hereof, and moneys held for defeasance shall be invested only as provided above in this section. Any funds or property held by the Trustee and not required for payment or redemption of the Bonds in full shall, after satisfaction of all the rights of the Issuer and the Trustee and after allowance for payment to the United States under IRC §148(b), be distributed to the Institution upon such indemnification, if any, as the Issuer or the Trustee may reasonably require.

ARTICLE III
THE BORROWING.

Section 301. The Bonds.

(a) Details of the Bonds. The Bonds shall be issued in fully registered form and shall be numbered from R1-1, R2-1, or R3-1 upwards, as applicable, in the order of their issuance, or in any other manner deemed appropriate by the Trustee and the Issuer. The Bonds shall be in the denomination of $5,000 each or any multiple thereof. The Bonds shall be dated the date of delivery thereof. The interest on the Bonds until they come due shall be payable on April 1 and October 1 of each year, beginning on April 1, 2017, and on their maturity date.

The Bonds shall be signed on behalf of the Issuer by the manual or facsimile signature of an Authorized Officer, and the corporate seal of the Issuer or a facsimile thereof shall be engraved or otherwise reproduced thereon. The authenticating certificate of the Trustee shall be manually signed on behalf of the Trustee.

In case any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until after such delivery.

The Series BB-1 Bonds shall mature on October 1 of each of the years in the amounts and shall bear interest at the rates per annum as follows:

Year of Maturity	Principal Amount	Interest Rate
2046	$50,925,000	4.00%
2046	60,345,000	5.00

The Series BB-2 Bonds shall mature on October 1 of each of the years in the amounts and shall bear interest at the rates per annum as follows:

Year of Maturity	Principal Amount	Interest Rate
2030	$4,155,000	5.00%
2031	4,460,000	5.00
2032	4,470,000	4.00
2033	4,655,000	4.00
2034	4,730,000	4.00
2035	4,795,000	3.00
2036	4,875,000	4.00
2037	5,030,000	4.00
2038	5,175,000	3.25
2039	5,230,000	4.00
2040	4,685,000	4.00

The Series BB-3 Bonds shall mature on October 1 of each of the years in the amounts and shall bear interest at the rates per annum as follows:

Year of Maturity	Principal Amount	Interest Rate
2026	$8,865,000	5.00%
2027	9,320,000	5.00
2028	9,800,000	5.00
2029	10,305,000	5.00

The Bonds are subject to special redemption and optional redemption, each as described in Section 310 and in the form of Bonds.

(b) Form of Bonds. The Bonds shall be issued in substantially the following form:

Registered No. R[1][2][3]- $___________

UNITED STATES OF AMERICA

COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

Revenue Bond

Boston University Issue, Series BB[-1][-2][-3] (2016)

INTEREST RATE: CUSIP:

MATURITY DATE:

DATE OF THIS BOND:
(Date as of which the Bonds were initially issued.)

INTEREST PAYMENT DATES: April 1 and October 1
(but not before April 1, 2017)

REGISTERED OWNER:

DATE OF REGISTRATION:

PRINCIPAL AMOUNT: DOLLARS

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE MASSACHUSETTS DEVELOPMENT FINANCE AGENCY OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS; THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE LOAN AND TRUST AGREEMENT. THE ISSUER HAS NO TAXING POWER UNDER THE ACT.

The Massachusetts Development Finance Agency (the "Issuer"), for value received promises to pay to the REGISTERED OWNER of this bond, or registered assigns, but solely from the moneys to be provided under the Agreement mentioned below, upon presentation and surrender hereof, in lawful money of the United States of America, the PRINCIPAL AMOUNT on the MATURITY DATE, with interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from the most recent INTEREST PAYMENT DATE to which interest has been paid or duly provided for or, if no interest has been paid, from the DATE OF THIS BOND, at the INTEREST RATE per annum, payable semiannually on the INTEREST PAYMENT DATES, until the date on which this bond becomes due, whether at maturity or by acceleration or redemption. From and after that date, any unpaid principal will bear interest at the same rate until paid or duly provided for. The principal or redemption price of this bond is payable at the corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"). Interest is payable by check or draft mailed by the Trustee to the REGISTERED OWNER of this bond (or of one or more predecessor or successor Bonds (as defined below)), determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by the Trustee; provided, that interest is payable by wire or bank transfer within the United States to any REGISTERED OWNER of $1,000,000 or more in PRINCIPAL AMOUNT of the Bonds upon direction satisfactory to the Trustee prior to the record date.

The record date for payment of interest is the fifteenth (15th) day of the month preceding the date on which the interest is to be paid, provided that, with respect to overdue interest or interest payable on redemption of this bond other than on an INTEREST PAYMENT DATE or interest on any overdue amount, the Trustee may establish a special record date. The special record date may be not more than twenty (20) days before the date set for payment. The Trustee will mail notice of a special record date to the registered owners of the Bonds (the "Bondowners") at least ten (10) days before the special record date. The Trustee will promptly certify to the Issuer that it has mailed such notice to all Bondowners, and such certificate will be conclusive evidence that such notice was given in the manner required hereby.

This bond is one of a series of bonds (the "Bonds") representing an aggregate borrowing of $201,820,000 (including $111,270,000 Series BB-1 Bonds, $52,260,000 Series BB-2 Bonds, and $38,290,000 Series BB-3 Bonds), under Massachusetts General Laws Chapters 23G and 40D, as amended (the "Act"), and pursuant to a Loan and Trust Agreement (the "Agreement") dated as of October 1, 2016 among Trustees of Boston University (the "Institution"), the Issuer and the Trustee. Pursuant to the Agreement, the Institution has agreed to repay the borrowing in the amounts and at the times necessary to enable the Issuer to pay the principal, premium, if any, and interest on the Bonds and the Issuer has pledged such funds to the Trustee for the benefit of the Bondowners. Reference is made to the Agreement for a description of the funds pledged and for the provisions with respect to the incurring of additional indebtedness and to the rights, limitations of rights, duties, obligations and immunities of the Institution, the Issuer, the Trustee and the Bondowners, including the order of payments in the event of insufficient funds and restrictions on the rights of the Bondowners to bring suit. The Agreement may be amended to the extent and in the manner provided therein.

In case any Event of Default (as defined in the Agreement) occurs, the principal amount of this bond together with accrued interest may be declared due and payable in the manner and with the effect provided in the Agreement.

[Series BB-1 and BB-2 Bond forms only:] [The Bonds are redeemable pursuant to the Agreement prior to maturity beginning on October 1, 2026, at the option of the Institution by the written direction of the Institution to the Issuer and the Trustee, as a whole or in part at any time in such order of maturity as directed by the Institution at their principal amount, plus accrued interest to the redemption date.]

The Institution may purchase Bonds of any series and maturity and credit them against the principal payment for such series and maturity at the principal amount by delivering them to the Trustee for cancellation at least sixty (60) days before the principal payment date.

The Bonds are subject to redemption prior to maturity, as a whole or in part at any time, in such order of maturity as directed by the Institution at their principal amounts, without premium, plus accrued interest to the redemption date, from excess moneys in the Project Fund established under the Agreement or, at the option of the Institution, in the event of substantial loss to the Project as defined in the Agreement, from insurance or condemnation award proceeds allocable to the Bonds pursuant to the special redemption provisions in the Agreement.

If less than all of the Outstanding Bonds of a series of any maturity bearing the same interest rate are to be called for redemption, the Bonds of that series and maturity (or portions thereof) to be redeemed will be selected by the Trustee by lot or in any customary manner as determined by the Trustee, provided that for so long as CEDE & CO., as nominee of The Depository Trust Company ("DTC"), is the REGISTERED OWNER, the particular Bonds or portions thereof to be redeemed within a series and maturity shall be selected by DTC, in such manner as DTC may determine.

In the event this bond is selected for redemption, notice will be mailed no more than forty-five (45) nor less than twenty (20) days prior to the redemption date to the REGISTERED OWNER at its address shown on the registration books maintained by the Trustee. Failure to mail notice to the owner of any other Bond or any defect in the notice to such an owner shall not affect the redemption of this bond.

If this bond is of a denomination in excess of five thousand dollars ($5,000), portions of the principal amount in the amount of five thousand dollars ($5,000) or any multiple thereof may be redeemed. If less than all of the principal amount is to be redeemed, upon surrender of this bond to the Trustee, there will be issued to the REGISTERED OWNER, without charge, a new Bond or Bonds, at the option of the REGISTERED OWNER, for the unredeemed principal amount.

The Trustee shall give or cause to be given notice of any redemption of this bond as provided above to the REGISTERED OWNER at its address shown on the registration books maintained by the Trustee, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption, state that the proposed redemption is conditioned on there being on deposit in the Redemption Fund on the redemption date sufficient money to pay the full redemption price of the Bonds to be redeemed and state that such Bonds will be redeemed at the corporate trust office of the Trustee. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes. Notice of redemption having been duly mailed, subject to the conditionality of such notice, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption interest on this bond (or such portion) will no longer accrue.

This bond is transferable by the REGISTERED OWNER, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee, upon surrender of this bond to the Trustee for cancellation. Upon the transfer, a new Bond or Bonds of the same aggregate principal amount will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This bond may also be exchanged at the corporate trust office of the Trustee for a new Bond or Bonds of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the holder except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this bond during the forty-five (45) days preceding any date fixed for redemption if this bond (or any part thereof) is eligible to be selected or has been selected for the redemption.

The Bonds are issuable only in fully registered form in the denomination of five thousand dollars ($5,000) or any multiple thereof.

The Issuer, the Trustee and the Institution may treat the REGISTERED OWNER as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary.

Neither the members of the Issuer nor any person executing this bond are liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

This bond will not be valid until the certificate of authentication hereon has been signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this bond to be executed in its name and with its official seal hereunto affixed by its duly Authorized Officer.

MASSACHUSETTS DEVELOPMENT
FINANCE AGENCY

(SEAL)

By: ______________________________________
Authorized Officer

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series BB[-1][-2][-3] Bonds described in the Agreement.

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: ______________________________________
Authorized Signature

ASSIGNMENT

For value received the undersigned sells, assigns and transfers this bond to

____
(Name and Address of Assignee)

____

____
Social Security or Other Identifying Number of Assignee
and irrevocably appoints ________________________________ attorney-in-fact to transfer it on the books kept for registration of the bond, with full power of substitution.

____
NOTE: The signature to this assignment must correspond with the name as written on the face of the bond without alteration or enlargement or other change.

Dated:

Signature Guaranteed:

____
Participant in a Recognized
Signature Guarantee Medallion Program

By: ______________________________
Authorized Signature

[End of Bond Form].

(c) Replacement of Bonds. Replacement Bonds shall be issued pursuant to applicable law as a result of the destruction, loss or mutilation of the Bonds. The costs of a replacement shall be paid or reimbursed by the applicant, who shall indemnify the Issuer, the Trustee and the Institution against all liability and expense in connection therewith.

(d) Registration of Bonds in the Book-Entry Only System.

(i) The provisions of this Subsection 301(d) shall apply with respect to any Bond registered to CEDE & CO. or any other nominee of The Depository Trust Company ("DTC") while the Book-Entry Only System (meaning the system of registration described in paragraph (ii) of this Subsection 301(d)) is in effect.

(ii) Each series of Bonds shall be issued in the form of a separate single authenticated fully registered Bond in substantially the form set forth in Subsection 301(b) and in the amount of each separate stated maturity and interest rate of such series of Bonds. On the date of original delivery thereof, the Bonds shall be registered in the registry books of the Trustee in the name of CEDE & CO., as nominee of DTC as agent for the Issuer in maintaining the Book-Entry Only System. With respect to Bonds registered in the registry books kept by the Trustee in the name of CEDE & CO., as nominee of DTC, the Issuer, the Institution and the Trustee shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations and various other entities, some of whom or their representatives own DTC) or to any Beneficial Owner (which means, when used with reference to the Book-Entry Only System, the person who is considered the beneficial owner of the Bonds pursuant to the arrangements for book entry determination of ownership applicable to DTC) with respect to the following: (A) the accuracy of the records of DTC, CEDE & CO. or any Participant with respect to any ownership interest in the Bonds, (B) the delivery to any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of or premium, if any, or interest on the Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the Issuer's obligations with respect to the principal of and premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond evidencing the obligation of the Issuer to make payments of principal of and premium, if any, and interest pursuant to this Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Agreement shall refer to such new nominee of DTC.

(iii) Upon receipt by the Issuer and the Trustee of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities, the Issuer shall issue, and the Trustee shall transfer and exchange Bonds as requested by DTC in appropriate amounts, and whenever DTC requests the Issuer and the Trustee to do so, the Trustee and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice (A) to arrange for a substitute bond depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (B) to make available Bonds registered in whatever name or names the Bondowners transferring or exchanging such Bonds shall designate.

(iv) In the event the Issuer determines that it is in the best interests of the Beneficial Owners that they be able to obtain Bond certificates, the Issuer may so notify DTC and the Trustee, whereupon DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Issuer shall issue, and the Trustee shall transfer and exchange Bond certificates as requested by DTC in appropriate amounts and in authorized denominations. Whenever DTC requests the Issuer and the Trustee to do so, the Trustee and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice to make available Bonds registered in whatever name or names the Beneficial Owners transferring or exchanging Bonds shall designate.

(v) Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the representation letter, which is on file with the Issuer

(vi) Notwithstanding any provision in Section 310 to the contrary, so long as all of the Bonds Outstanding are held in the Book-Entry Only System, if less than all of the Bonds of any one series, maturity and interest rate are to be redeemed upon any redemption of Bonds hereunder, the particular Bonds or portions of Bonds of such series, maturity, and interest rate to be redeemed shall be selected by DTC in such manner as DTC may determine.

Section 302. Application of Bond Proceeds.

(a) From proceeds of the Series BB-1 Bonds: (i) $125,000,000 shall be deposited in the Project Fund; and (ii) the balance of such proceeds shall be deposited in the Expense Fund and used to pay costs of issuing the Bonds.

(b) From proceeds of the Series BB-2 Bonds: (i) an amount necessary to refund the Series U-4 Bonds shall be deposited with the Series U Trustee and shall be applied to the redemption of the Series U-4 Bonds; and (ii) the balance of such proceeds shall be deposited in the Expense Fund and used to pay costs of issuing the Bonds.

(c) From proceeds of the Series BB-3 Bonds, (i) an amount necessary to refund the Series V-1 Bonds shall be deposited with the Series V Trustee and shall be applied to the redemption of the Series V-1 Bonds; and (ii) the balance of such proceeds shall be deposited in the Expense Fund and used to pay costs of issuing the Bonds.

Section 303. Debt Service Fund. A Debt Service Fund is hereby established with the Trustee and moneys shall be deposited therein as provided in this Agreement. The moneys in the Debt Service Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided, shall be applied solely to the payment of the principal (including sinking fund installments, if any), redemption premium, if any, and interest on the Bonds. Promptly after October 1 of each year, if the amount deposited by the Institution in the Debt Service Fund during the preceding year pursuant to Section 308 was in excess of the amount required to be so deposited, the Trustee shall transfer such excess to the Institution unless there is then an Event of Default known to the Trustee with respect to payments to the Debt Service Fund or to the Trustee or the Issuer, in which case the excess shall be applied to such payments.

Section 304. Redemption Fund.

(a) A Redemption Fund is hereby established with the Trustee and moneys shall be deposited therein as provided in this Agreement. The moneys in the Redemption Fund and any investments held as a part of such Fund shall be held in trust and, except as otherwise provided, shall be applied by the Trustee on behalf of the Issuer solely to the redemption of Bonds. The Trustee may, and upon written direction of the Institution for specific purchases shall, apply moneys in the Redemption Fund to the purchase of Bonds for cancellation at prices not exceeding the price at which they are then redeemable (or next redeemable if they are not then redeemable), but not within the forty-five (45) days preceding a redemption date. Accrued interest on the purchase of Bonds shall be paid from the Debt Service Fund.

(b) If on any date the amount in the Debt Service Fund is less than the amount then required to be applied by the Trustee to pay the principal (including sinking fund installments, if any) and interest then due on the Bonds, the Trustee shall apply the amount in the Redemption Fund (other than any sum irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts) to the Debt Service Fund to the extent necessary to meet the deficiency. The Institution shall remain liable for any sums which it has not paid into the Debt Service Fund and any subsequent payment thereof shall be used to restore the funds so applied.

(c) If any moneys in the Redemption Fund are invested in accordance with this Agreement and a loss results therefrom so that there are insufficient funds to pay the redemption price of Bonds called for redemption in accordance with this Agreement, then the Institution shall immediately supply the deficiency.

Section 305. Rebate.

(a) Payment of Rebate to the United States.

(i) No later than sixty (60) days after the close of the fifth Rebate Year following the date of issue of the Bonds (or any earlier date that may be required to comply with IRC §148(f) and the regulations thereunder (the "Rebate Provision")) and the close of each fifth Rebate Year thereafter, the Institution shall pay to the United States on behalf of the Issuer the full amount of rebate then required to be paid under the Rebate

Provision. Within sixty (60) days after the Bonds have been paid in full, the Institution shall pay to the United States on behalf of the Issuer the full amount then required to be paid under the Rebate Provision. Each such payment shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 or any successor location specified by the Internal Revenue Service, accompanied by a Form 8038-T (or other similar information reporting form) prepared by the Institution.

(ii) No later than fifteen (15) days prior to each date on which a payment could become due under Paragraph 305(a)(i) (a "Rebate Payment Date"), the Institution shall deliver to the Issuer and the Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to Paragraph 305(a)(i). If the certificate specifies an amount to be paid, (A) such certificate shall be accompanied by (i) a rebate report in form acceptable to the Issuer prepared by a rebate consultant acceptable to the Issuer, (ii) a completed Form 8038-T in form acceptable to the Issuer, which is to be signed by an officer of the Issuer, and (iii) a certification of the Institution stating that the Form 8038-T is accurate and complete, and (B) no later than ten (10) days after the Rebate Payment Date the Institution shall furnish to the Issuer and the Trustee a certificate stating that such amount has been timely paid.

(b) Records. The Institution and the Trustee shall keep such records as will enable them to fulfill their responsibilities under this section and the Rebate Provision.

(c) Interpretation of this Section. The purpose of this Section 305 is to satisfy the requirements of the Rebate Provision. Accordingly, this section shall be construed so as to meet such requirements. The Institution covenants that all action taken under this section shall be taken in a manner that complies with the Rebate Provision and that it shall neither take any action nor omit to take any action that would cause the Bonds to be arbitrage bonds by reason of the failure to comply with the Rebate Provision. To the extent any payment of rebatable arbitrage or penalty in lieu of rebate is not timely made to the United States, the Institution shall pay to the United States on behalf of the Issuer any interest, penalty, or other amount necessary to prevent the Bonds from becoming arbitrage bonds within the meaning of IRC §148. The Institution covenants that to the extent necessary it shall obtain the advice and assistance of experts to aid it in complying with the Rebate Provision.

Section 306. Expense Fund. An Expense Fund is hereby established to be held by the Trustee and proceeds of the Bonds shall be deposited therein as provided in Section 302. The moneys in the Expense Fund and any investments held as part of such fund shall be held in trust and, except as otherwise provided in this Agreement, shall be applied by the Trustee at the written direction of the Institution solely to the payment or reimbursement of the costs of issuing the Bonds. The Trustee shall pay from the Expense Fund at the direction of the Institution the costs of issuing the Bonds, the reasonable fees and expenses of financial consultants and bond counsel, the reasonable fees and expenses of the Trustee incurred prior to the completion of the Project in accordance with this Agreement, any recording or similar fees and any expenses of the Institution in connection with the issuance of the Bonds as directed by the Institution. Earnings on the Expense Fund shall not be applied to pay costs of issuance of the Bonds, but shall be transferred to the Project Fund as provided in Subsection 311(b). After all costs of issuing the Bonds have been paid any amounts remaining in the Expense Fund shall be transferred to the Project Fund. To the extent the Expense Fund is insufficient to pay any of the above costs, the Institution shall be liable for the deficiency and shall pay such deficiency as directed by the Trustee.

Section 307. Application of Moneys. If available moneys in the Debt Service Fund after any required transfers from the Redemption Fund are not sufficient on any day to pay all principal (including sinking fund installments, if any), redemption price and interest on the Outstanding Bonds then due or overdue, such moneys (other than any sum in the Redemption Fund irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts) shall, after payment of all charges and disbursements of the Trustee in accordance with this Agreement, be applied (in the order such funds are named in this section) first to the payment of interest, including interest on overdue principal, in the order in which the same became due (pro rata with respect to interest which became due at the same time) and second to the payment of principal (including sinking fund installments, if any) and redemption premiums, if any, without regard to the order in which the same became due (in proportion to the amounts due). For this purpose interest on overdue principal shall be treated as coming due on the first day of each month. Whenever moneys are to be applied pursuant to this section, such moneys shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such discretion it shall fix the date (which shall be the first of a month unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. When interest or a portion of the principal is to be paid on an overdue Bond, the Trustee may require presentation of the Bond for endorsement of the payment.

Section 308. Payments by the Institution.

(a) Not later than 10:00 a.m. on the date on which a payment of principal (including sinking fund installments, if any) or interest is due on the Bonds, the Institution shall pay or cause to be paid to the Trustee for deposit in the Debt Service Fund an amount available on such date equal to such payment less the amount, if any, in the Debt Service Fund and available therefor.

(b) The payments to be made under the foregoing subsection shall be appropriately adjusted to reflect the date of issue of Bonds, any accrued or capitalized interest deposited in the Debt Service Fund, and any earnings on amounts in the Debt Service Fund, and any purchase or redemption of Bonds, so that there will be available on each payment date in the Debt Service Fund the amount necessary to pay the interest and principal or sinking fund installment due or coming due on the Bonds and so that accrued or capitalized interest will be applied to the installments of interest to which they are applicable.

(c) At any time when any principal (including sinking fund installments, if any) of the Bonds is overdue, the Institution shall also have a continuing obligation to pay to the Trustee for deposit in the Debt Service Fund an amount equal to interest on the overdue principal. Redemption premiums, if any, shall not bear interest.

(d) **[Reserved].**~~As additional security for its obligations to make payments to the Debt Service Fund, the Institution grants to the Trustee a lien upon all its tuition receipts in each half-year beginning on January 1 or July 1, whether in the form of proceeds of accounts receivable or contract rights or otherwise, and in any rights to receive the same. For this purpose tuition receipts shall include receipts from any source which are applied or to be applied to financial aid for tuition. If any required payment is not made when due, any receipts with respect to which this security interest remains perfected pursuant to law (including the Act) shall be transferred or paid over immediately to the Trustee without being commingled with other funds (unless already commingled) and any such receipts thereafter received shall upon receipt be transferred to the Trustee in the form received to the extent necessary to cure the deficiency. The Institution represents and warrants that the lien granted by this subsection is (i) on a parity with the liens granted under the Parity Tuition Lien Agreements, and (ii) subject only to non-consensual liens arising by operation of law. The Institution further represents, warrants and agrees that the liens mentioned in clause (ii) of this subsection are and will at all times be of an aggregate amount which is not material to the security for the Bonds.~~

(e) Payments by the Institution to the Trustee for deposit in the Debt Service Fund under this Agreement shall discharge the obligation of the Institution to the extent of such payments; provided, that if any moneys are invested in accordance with this Agreement and a loss results therefrom so that there are insufficient funds to pay principal (including sinking fund installments, if any) and interest on the Bonds when due, the Institution shall supply the deficiency.

(f) Within thirty (30) days after notice from the Issuer, the Institution shall pay to the Issuer all expenditures (except general administrative expenses or overhead) reasonably incurred by the Issuer by reason of this Agreement.

(g) Within thirty (30) days after notice from the Trustee, the Institution shall pay to the Trustee the reasonable fees and expenses of the Trustee as set forth in Section 703 of this Agreement.

Section 309. Unconditional Obligation. To the extent permitted by law, the obligation of the Institution to make payments to the Issuer and the Trustee under this Agreement shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, shall not be subject to setoff, recoupment or counterclaim and shall be a general obligation of the Institution to which the full faith and credit of the Institution are pledged.

Section 310. Redemption of the Bonds.

(a) Special Redemption. If moneys are transferred to the Redemption Fund pursuant to Subsection 401(c) or Section 406, such moneys (and earnings thereon) shall be used to redeem

Bonds within one (1) year, except to the extent previously used to purchase Bonds in accordance with Subsection 304(a) or transferred to the Debt Service Fund pursuant to Section 304 or this section. The Bonds are subject to redemption pursuant to this subsection as a whole or in part at any time, in such order of maturity as directed by the Institution (provided that, if less than all of the Bonds outstanding of any series and maturity and bearing the same interest rate shall be called for redemption, the Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), at their principal amounts plus accrued interest to the redemption date. If the amount available in the Redemption Fund to redeem Bonds at any time is less than $50,000, the Trustee may, and upon written direction of the Institution shall, transfer it to the Debt Service Fund for credit against deposits otherwise required to be made therein with respect to principal instead of calling Bonds for redemption.

(b) Optional Redemption. The Series BB-1 Bonds and the Series BB-2 Bonds are redeemable prior to maturity on or after October 1, 2026, at the option of the Institution by the written direction of the Institution to the Issuer and the Trustee. Such redemption shall be in accordance with the terms of the Bonds, as a whole or in part at any time, in such order of maturity as directed by the Institution (provided that, if less than all of the Bonds outstanding of any maturity of a series and bearing the same interest rate shall be called for redemption, the Bonds to be so redeemed shall be selected, subject to Section 301(d)(vi), by the Trustee by lot or in any customary manner of selection as determined by the Trustee), at the redemption prices plus accrued interest to the redemption date as described in the form of Bonds in Subsection 301(b).

(c) Payment of Redemption Price and Accrued Interest. Whenever Bonds are called for redemption, the accrued interest thereon shall become due on the redemption date and shall be paid from the Debt Service Fund to the extent available therein. To the extent not otherwise provided, the Institution shall deposit with the Trustee on or prior to the redemption date a sufficient sum to pay the redemption price of and accrued interest on the Bonds.

(d) Notice of Redemption. When Bonds are to be redeemed, the Trustee shall give notice in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption state that the proposed redemption is conditioned on there being on deposit in the Redemption Fund on the redemption date sufficient money to pay the full redemption price of the Bonds redeemed and state that such Bonds will be redeemed at the corporate trust office of the Trustee. The notice shall further state that, subject to the conditionality of the notice, on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue. The Trustee shall mail the redemption notice not more than forty-five (45) nor less than twenty (20) days prior to the date fixed for redemption, to the registered owners of any Bonds which are to be redeemed, at their addresses shown on the registration books maintained by the Trustee, and to the principal office of each of the managing underwriters of the Bonds. So long as the Bonds are held in the name of Cede & Co. the redemption notice may be given by electronic means. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond. Failure to mail notice to the managing underwriters, or any defect in the notice to them, shall not affect the redemption of any Bond.

Section 311. Investments.

(a) Pending their use under this Agreement, moneys in the funds and accounts established pursuant to this Agreement may be invested by the Trustee in Permitted Investments (as defined below) maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed and shall be so invested pursuant to written direction of the Institution if there is not then an Event of Default known to the Trustee, provided that the Institution shall not request, authorize or permit any investment that would cause any Bonds to be classified as "arbitrage bonds" as defined in IRC §148. Notwithstanding the foregoing, any amount of moneys deposited in the Project Fund pursuant to Subsection 401(a) that has not been expended within three (3) years of the date of closing shall be invested only in Permitted Investments with a yield not more than 1/8% higher than the yield on the Bonds or in Permitted Investments described in clause (c)(B) below, unless otherwise permitted by an Opinion of Bond Counsel. Any investments pursuant to this subsection shall be held by the Trustee as a part of the applicable fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such Fund, subject to the notice provisions of Section 9-611 of the UCC to the extent applicable.

(b) Except as set forth below, any interest realized on investments in any fund and any profit realized upon the sale or other disposition thereof shall be credited to the fund with respect to which they were earned and any loss shall be charged thereto. Earnings (which for this purpose include net profit and are after deduction of net loss) on proceeds from the sale of the Bonds deposited in the Expense Fund shall be transferred to the Project Fund not less often than quarterly. Earnings on the Redemption Fund shall be transferred to the Debt Service Fund and credited against payments otherwise required to be made thereto not less often than quarterly.

(c) The term "Permitted Investments" means (A) Government or Equivalent Obligations; (B) "tax exempt bonds" as defined in IRC §150(a)(6), other than "specified private activity bonds" as defined in IRC §57(a)(5)(C), rated at least "AA" or "Aa2" by S&P and Moody's, respectively, or the equivalent by any other nationally recognized rating agency, at the time of acquisition thereof, or shares of a so-called money market or mutual fund that do not constitute "investment property" within the meaning of IRC §148(b)(2), provided either that the fund has all of its assets invested in such "tax exempt bonds" of such rating quality or, if such obligations are not so rated, that the fund has comparable creditworthiness through insurance or otherwise and which fund is rated "Aam" or "AAm-G" if rated by S&P, at the time of acquisition thereof; (C) Obligations of any state or political subdivision thereof rated at least "AA-" and "Aa3" by S&P and Moody's, respectively, at the time of acquisition thereof; (D) negotiable certificates of deposit maturing not more than two years after the date of purchase, and interest-bearing deposit accounts of a national association or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank, which (i) has assets of not less than $1,000,000,000, provided that the senior debt obligations of the issuing institution are rated in the highest category by Moody's or S&P at the time of acquisition thereof, or (ii) funds are guaranteed by the Federal Deposit Insurance Corporation, or (iii) funds are fully collateralized by Government or Equivalent Obligations; (E) bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers acceptances), provided that such bankers acceptances may not exceed 180 days maturity, and provided further that the accepting bank has the highest short-term letter and numerical rating as provided by Moody's or S&P at the time of acquisition thereof; (F) Repurchase Agreements; (G) (i) the Massachusetts Development Finance Agency Short Term Asset Reserve (STAR) Fund, or any other similar fund established by, or on behalf of, the Issuer, which is rated "AAAm-G," "AAAm" or "AAm" by S&P at the time of acquisition thereof, and (ii) money market funds which have a rating of "AAAm-G," "AAAm" or "AAm" by S&P at the time of acquisition thereof, provided that the fund is registered under the Federal Investment Company Act of 1940 and whose shares are registered under the Federal Securities Act of 1933; (H) investment agreements with providers rated not lower than the second highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, and provided further that if the provider is downgraded by one or more nationally recognized rating agency to below the second highest category, the agreement shall (i) be fully collateralized at 104% by Government or Equivalent Obligations or 105% by securities outlined in clause (J) of this definition of permitted investments, or (ii) terminate; (I) collateralized investment agreements with providers rated not lower than the third highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, and provided further that in all cases such rating requirements shall apply only at the time the investment agreement is executed; (J) forward purchase and sale agreements with providers rated not lower than the third highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency, provided that if the investment agreement is guaranteed by a third party, then such rating requirement shall apply to the guarantor only, and provided further that in all cases such rating requirements shall apply only at the time the investment agreement is executed; (K) senior debt obligations and participation certificates issued by an agency or instrumentality established by an act of Congress, including but not limited to the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank System, Student Loan Marketing Association, World Bank or Federal Agricultural Mortgage Corporation ("Federal Agency Securities"), in each case rated not lower than the second highest category (without regard to gradations within such category), at the time of acquisition thereof, by at least one nationally recognized rating agency; (L) commercial paper that is rated at the time of purchase at least "A-1+" by S&P or "P-1" by Moody's at the time of acquisition thereof and that matures not more than 270 days after the date of purchase; and (M) notes issued by corporate entities rated at least "AA-" and "Aa3" by S&P and Moody's, respectively, at the time of acquisition thereof. The term "Repurchase Agreement" shall mean a written agreement under which a bank or trust company which has a capital and surplus of not less than $50,000,000 or a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York sells to, and agrees to repurchase from the Trustee obligations issued or guaranteed by the United States; provided that the market value of such obligations is at the time of entering into the agreement at least one hundred and three percent (103%) of the repurchase price specified in the agreement and that such obligations are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that unless the agreement is with a bank or trust company, such agreement shall require the repurchase to occur on demand or on a date certain which is not later than one (1) year after such agreement is entered into and shall expressly authorize the Trustee to liquidate the purchased obligations in the event of the insolvency of the party required to repurchase such obligations or the commencement against such party of a case under the federal Bankruptcy Code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code. Any such investments may be purchased from or through the Trustee.

(d) A security interest with respect to Permitted Investments, if any, shall be perfected in such manner as may be provided by law. In the case of a Repurchase Agreement, if under applicable law, including the federal Bankruptcy Code, the agreement is recognized as transferring ownership in the underlying securities to the investing party with a right to liquidate the securities and apply the proceeds against the repurchase obligation, all free and clear of the claims of creditors and transferees of the other party, the interest of the investing party shall be regarded as the equivalent of a perfected security interest for the purposes of this subsection. In any case, however, if the underlying securities or the securities subject to the security interest are certificated securities (as opposed to uncertificated or book-entry securities), they shall be delivered to the Trustee, or to a depository satisfactory to the Trustee, either as agent for the Trustee or as bailee with appropriate instructions and acknowledgement, at the time of or prior to the investment, or, if the security interest is perfected without delivery, delivery shall be made within three (3) Business Days. Possession by the Trustee of the security for an obligation of the Trustee shall not be deemed to satisfy the requirements of this subsection unless there is an opinion of counsel satisfactory to the Trustee to the effect that such possession satisfies the requirements of this subsection.

(e) The Trustee may hold undivided interests in Permitted Investments for more than one fund (for which they are eligible) and may make interfund transfers in kind.

(f) The Trustee shall send investment report to the Issuer only upon written request of the Issuer. The Issuer reserves the right to require such reports to be sent to the Issuer on an ongoing basis at any time.

Section 312. Unclaimed Moneys. Except as may otherwise be required by applicable law, in case any moneys deposited with the Trustee for the payment of the principal of, or interest or premium, if any, on any Bond remain unclaimed for three (3) years after such principal, interest or premium has become due and payable, the Trustee may and upon receipt of a written request of the Institution shall pay over to the Institution the amount so deposited in immediately available funds, without additional interest, and thereupon the Trustee and the Issuer shall be released from any further liability with respect to the payment of principal, interest or premium and the Owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Institution as an unsecured creditor for the payment thereof.

ARTICLE IV
THE PROJECT.

Section 401. Project Fund.

(a) Establishment. A Project Fund is hereby established to be held by the Trustee. The balance of the proceeds of the sale of the Series BB-1 Bonds after distribution as set forth in Section 302 shall be promptly deposited in the Project Fund. The moneys in the Project Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in this Agreement, shall be applied by the Trustee solely to the payment or reimbursement of Project Costs. If there is an Event of Default known to the Trustee with respect to payments to the Debt Service Fund or to the Issuer or the Trustee, the Trustee may use the Project Fund without requisition to make up the deficiency, and the Institution shall restore the funds so used.

(b) Requisitions. Disbursements from the Project Fund shall be made by the Trustee to pay directly or to reimburse the Institution for Project Costs as directed by requisitions signed on behalf of the Institution by the Project Officer. Each requisition for Project Costs shall identify the sums requisitioned for payment to others than the Institution by item number, amount, name of payee and purpose and shall identify the sums requisitioned for reimbursement to the Institution by item number, amount, name of original payee and purpose. Each requisition for Project Costs shall state:

(i) that it is for Project Costs that have not been the basis of a prior or contemporaneous requisition or of a prior payment of an external loan or of a prior reimbursement of internal advances and that have not been paid from gifts or grants received by the Institution for the New Part of the Project; that it is for work actually performed or material, equipment or other property actually supplied for the New Part of the Project in accordance with the applicable plans and specifications; that it contains no amount entitled to be retained; and that to the extent it is for the reimbursement of Project Costs paid by the Institution before the date of issuance of the Bonds, such reimbursement is consistent with the representations and warranties made by the Institution in the Tax Certificate; and

(ii) that the work and material, equipment or other property covered by the requisition have been performed or delivered to the Institution and are in accordance with all applicable building, zoning, land use, environmental protection, historical preservation, sanitary, safety and educational laws, rules and regulations, all applicable grant, reimbursement and insurance requirements and the provisions of this Agreement; and that all permits, licenses and approvals required for the items covered by the requisition have been obtained.

The signers of the requisition may rely, as to conclusions of law, on an opinion of counsel furnished to the Trustee and the Issuer and referred to in the requisition. The Trustee may waive any provision required to be contained in the requisition upon advice of counsel that the waiver does not adversely affect either the security for the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(c) Certificate of Completion. Completion of the Project shall be evidenced by the filing with the Trustee and the Issuer of a certificate signed by the Project Officer stating that the New Part of the Project has been substantially completed so as to permit efficient use in the operations of the Institution and setting forth any Project Costs remaining to be paid from the Project Fund. Any balance in such Fund not then needed to pay Project Costs shall be transferred to the Redemption Fund.

Section 402. Carrying Out the Project.

(a) The Institution shall diligently and continuously carry out the New Part of the Project. The materials and workmanship shall be of high quality, and no materials, fixtures or equipment intended to become part of the New Part of the Project shall be purchased by the Institution subject to any lien, encumbrance or claim. Contracts for carrying out the New Part of the Project and acquisitions in connection therewith have been and shall be made by the Institution in its own name. No funds of the Issuer, other than the proceeds of the Bonds, shall be available to pay Project Costs. If and to the extent that the Project Fund is insufficient to complete the New Part of the Project, the Institution shall complete the New Part of the Project at its own expense.

(b) In future contracts and to the extent permitted by existing contracts, the Institution shall require each contractor engaged in the construction of the New Part of the Project to employ construction techniques which will tend to minimize detrimental environmental impact. The Institution may terminate the New Part of the Project upon written notice to the Issuer, in which event unspent moneys in the Project Fund shall be applied pursuant to Subsection 401(c).

Section 403. Use of Project.

(a) Compliance with Law. In the acquisition, construction, maintenance, improvement and operation of the Project, the Institution covenants that it has complied and will comply in all material respects with all material and applicable building, zoning, land use, environmental protection, historical preservation, sanitary, safety and educational laws, rules and regulations, and all material and applicable grant, reimbursement and insurance requirements, and will not permit a nuisance thereon; but it shall not be a breach of this subsection if the Institution fails to comply with such laws, rules, regulations and requirements (other than Chapter 21E of the Massachusetts General Laws, as amended) during any period in which the Institution is diligently and in good faith contesting the validity thereof, provided that the security created or intended to be created hereby is not, in the opinion of the Trustee, unreasonably jeopardized thereby.

(b) Payment of Lawful Charges. The Institution shall make timely payment of all taxes and assessments and other municipal or governmental charges and all claims and demands for work, labor, services, materials or other objects which, if unpaid, might by law become a lien on the Project or any part thereof; but it shall not be a breach of this subsection if the Institution fails to pay any such item during any period in which the Institution is diligently and in good faith contesting the validity thereof, provided that the laws applicable to contesting its validity do not require payment thereof and proceedings for a refund and that the security created or intended to be created hereby is not, in the opinion of the Trustee, unreasonably jeopardized thereby.

(c) Permitted Purposes. The Institution agrees that the Project shall be used only for the purposes described in the Act. The Institution acknowledges that it is fully familiar with the physical condition of the Project and that it is not relying on any representation of any kind by the Issuer or the Trustee concerning the nature or condition thereof. Neither the Issuer nor the Trustee shall be liable to the Institution or any other person for any latent or patent defect in the Project. The Institution further agrees that no part of the Project has been or shall be used for any purpose which would cause the Issuer's financing and refinancing of the Project to constitute a violation of the First Amendment of the United States Constitution. In particular, the Institution agrees that no part of the Project, so long as it is owned or controlled by the Institution, has been or shall be used for any sectarian instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; and any proceeds of any sale, lease, taking by eminent domain of the Project or other disposition thereof has not and shall not be used for, or to provide a place for, such instruction, worship or program.

Section 404. Repair and Current Expenses.

(a) The Institution agrees that it will maintain and repair the Project and keep the same in good and serviceable condition and in at least as good condition and repair (reasonable wear and tear and casualty loss excepted) as it was on the date the same was placed in service. In the event of damage to or destruction of all or any part of the Project from any casualty, unless the Institution exercises its right under Subsection 406, the Institution shall repair, replace, restore or reconstruct the Project to the extent necessary to restore substantially its value and in a manner suitable for its continued use for the purpose for which it was provided; and this obligation shall not be limited by the amount of available insurance proceeds.

(b) The Institution shall pay all costs of maintaining and operating the Project.

Section 405. Insurance. The Institution shall maintain insurance with insurance companies authorized to transact business in The Commonwealth of Massachusetts or otherwise satisfactory to the Trustee on such of its properties, in such amounts and against such risks as is customarily maintained by similar institutions of higher education operating in the area and promptly file with the Trustee upon request from time to time certificates of all such insurance.

Section 406. Option to Redeem Bonds Upon Casualty or Taking. The Bonds are subject to redemption in accordance with Subsection 310(a), at the option of the Institution, in the event that there is damage to or destruction or taking of the Project which produces proceeds of insurance or condemnation awards. In the case of a casualty or taking producing proceeds of insurance or eminent domain proceeds, the Bonds shall be subject to special redemption only to the extent such proceeds exceed the lesser of ten percent (10%) of the fully insurable value of the Project prior to the time of such casualty or taking as determined by the Trustee (who may rely on the advice of a consultant in making such determination) or twenty percent (20%) of the principal amount of Outstanding Bonds. Upon such determination and payment by the Institution of such proceeds to the Trustee, the Trustee shall use the same to redeem Bonds as provided in Section 310(a).

ARTICLE V
RESERVED.

ARTICLE VI
DEFAULT AND REMEDIES.

Section 601. Default by the Institution.

(a) Events of Default; Default. "Event of Default" in this Agreement means any one of the events set forth below and "default" means any Event of Default without regard to any lapse of time or notice.

(i) Debt Service. Any principal of or interest on the Bonds shall not be paid when due or the Institution shall fail to make any payment required of it under Subsections 308(a) or (c) or under Section 310(c) when the same becomes due and payable.

(ii) Other Obligations. The Institution shall fail to make any other required payment to the Trustee or the Issuer, and such failure is not remedied within seven (7) days after written notice thereof is given by the Trustee or the Issuer to the Institution; or the Institution shall fail to observe or perform any of its other agreements, covenants or obligations under this Agreement or the Tax Certificate and such failure is not remedied within sixty (60) days after written notice thereof is given by the Trustee or the Issuer to the Institution.

(iii) Warranties. There shall be a material breach of warranty made herein or in the Tax Certificate by the Institution as of the date it was intended to be effective and the breach is not cured within sixty (60) days after written notice thereof is given by the Trustee or the Issuer to the Institution.

(iv) Voluntary Bankruptcy. The Institution shall commence a voluntary case under the federal bankruptcy laws, or shall become insolvent or unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors, or shall apply for, consent to or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property.

(v) Appointment of Receiver. A trustee, receiver, custodian or similar official or agent shall be appointed for the Institution or for any substantial part of its property and such trustee or receiver shall not be discharged within sixty (60) days.

(vi) Involuntary Bankruptcy. The Institution shall have an order or decree for relief in an involuntary case under the federal bankruptcy laws entered against it, or a petition seeking reorganization, readjustment, arrangement, composition, or other similar relief as to it under the federal bankruptcy laws or any similar law for the relief of debtors shall be brought against it and shall be consented to by it or shall remain undismissed for sixty (60) days.

(vii) Breach of Other Agreements. A breach shall occur (and continue beyond any applicable grace period) with respect to the payment of other Indebtedness of the Institution for borrowed money with respect to loans exceeding one percent (1%) of total annual revenues as shown on the Institution's most recent audited financial statements, or with respect to the performance of any agreement securing such other Indebtedness or pursuant to which the same was issued or incurred, or an event shall occur with respect to provisions of any such agreement relating to matters of the character referred to in this section, so that a holder or holders of such Indebtedness or a trustee or trustees under any such agreement accelerates any such Indebtedness; but an Event of Default shall not be deemed to be in existence or to be continuing under this clause (vii) if (A) the Institution is in good faith contesting the existence of such breach or event and if such acceleration is being stayed by judicial proceedings, (B) the power of acceleration ceases to be in effect, or (C) such breach or event is remedied and the acceleration is wholly annulled. The Institution shall notify the Issuer and the Trustee of any such breach or event immediately upon the Institution's becoming aware of its occurrence and shall from time to time furnish such information as the Issuer or the Trustee may reasonably request for the purpose of determining whether a breach or event described in this clause (vii) has occurred and whether such power of acceleration has been exercised or continues to be in effect.

(b) Waiver. If the Trustee determines that a default has been cured before the entry of any final judgment or decree with respect to it, the Trustee may waive the default and its consequences, including any acceleration, by written notice to the Institution and shall do so, with the written consent of the Issuer, upon written instruction of the Owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds.

Section 602. Remedies for Events of Default. If an Event of Default occurs and is continuing:

(a) Acceleration. The Trustee may, and upon the written request of the registered owners of a majority in principal amount of the Outstanding Bonds shall, by written notice to the Institution and the Issuer declare immediately due and payable the principal amount of the

Outstanding Bonds and the payments to be made by the Institution therefor, and accrued interest on the foregoing, whereupon the same shall become immediately due and payable without any further action or notice.

If, at any time after such declaration and before the entry of a judgment or decree for payment of the money due, all amounts payable hereunder except principal and interest on the Bonds which are due solely by reason of such declaration and acceleration shall have been paid or provided for by deposit with the Trustee and all existing Events of Default shall have been cured, then, unless otherwise directed in writing by the registered owners of Bonds representing a majority of the principal amount of the Outstanding Bonds, the Trustee shall rescind and annul such declaration and acceleration, but no such rescission shall affect any subsequent Event of Default or the consequences thereof.

(b) ~~Rights as to Tuition Receipts;~~ Rights as a Secured Party. ~~(i) Subject to Section 1007(b), the Trustee may exercise all of the rights and remedies of a secured party, under the UCC or otherwise, with respect to the lien on tuition receipts created by Subsection 308(d). Without limiting the generality of the foregoing, to the extent permitted by law, the Trustee may realize upon such lien by any one or more of the following actions: (A) enter the Institution's property and take possession of the financial books and records of the Institution relating to the tuition receipts and of all checks or other orders for payment of money and cash in the possession of the Institution representing tuition receipts or proceeds thereof; (B) notify account debtors obligated on any tuition receipts to make payment directly to the order of the Trustee; (C) collect, compromise, settle, compound or extend tuition receipts which are in the form of accounts receivable or contract rights from the Institution's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Institution, whether or not the full amount of any such account receivable or contract right owing shall be paid to the Trustee; (D) require the Institution to deposit all cash, money and checks or other orders for the payment of money which represent tuition receipts within five (5) Business Days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Trustee, provided, however, that the requirement to make such deposits shall cease, and the balance of such fund or account shall be paid to the Institution, when all Events of Default have been cured; (E) forbid the Institution to extend, compromise, compound or settle any accounts receivable or contract rights which represent tuition receipts, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; and (F) endorse in the name of the Institution any checks or other orders for the payment of money representing tuition receipts or the proceeds thereof; and (ii~~) t**T**he Trustee may exercise all of the rights and remedies of a secured party under the UCC with respect to securities in the Debt Service Fund, Redemption Fund, Project Fund and Expense Fund, including the right to sell or redeem such securities and the right to retain the securities in satisfaction of the obligations of the Institution hereunder. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Institution at least ten (10) days before an event under UCC §§9-610 and 9-611, or any successor provision of law, shall constitute reasonable notification of such event.

Section 603. Court Proceedings. The Trustee may enforce the obligations of the Institution under this Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained herein, whether or not an Event of Default exists, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Institution of the provisions of this Agreement, including (to the extent this Agreement may lawfully provide) court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing the obligations of the Institution hereunder. The Issuer may likewise enforce obligations to it hereunder which it has not assigned to the Trustee.

Section 604. Revenues after Default. The proceeds from the exercise of the rights and remedies under Subsection 602(b) shall be remitted to the Trustee upon receipt and in the form received. After payment or reimbursement of the reasonable expenses of the Trustee and the Issuer in connection therewith, the same shall be applied, first to the remaining obligations of the Institution hereunder (other than obligations to make payments to the Issuer for its own use) in such order as may be determined by the Trustee, and second, to any unpaid sums due the Issuer for its own use. Any surplus thereof shall be paid to the Institution.

Section 605. Remedies Cumulative. The rights and remedies under this Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any of the obligations of the Institution or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance by the Institution or of the right to exercise any remedy for the violation.

ARTICLE VII
THE TRUSTEE.

Section 701. Corporate Organization, Authorization and Capacity. The Trustee represents and warrants that it is a national banking association duly organized and validly existing under the laws of the United States of America, having the powers of a trust company within The Commonwealth of Massachusetts, including the capacity to exercise the powers and duties of the Trustee hereunder, and that by proper corporate action it has duly authorized the execution and delivery of this Agreement.

Section 702. Rights and Duties of the Trustee.

(a) Moneys to be Held in Trust. All moneys received by the Trustee under this Agreement shall be held by the Trustee in trust and applied subject to the provisions of this Agreement.

(b) Accounts. The Trustee shall keep proper accounts of its transactions hereunder (separate from its other accounts), which shall be open to inspection by the Issuer and the Institution and their representatives duly authorized in writing.

(c) Performance Obligations.

(i) If the Issuer shall fail to observe or perform any covenant or obligation contained in this Agreement, the Trustee may to whatever extent it deems appropriate for the protection of the Bondowners or itself, perform any such obligation in the name of the Issuer and on its behalf.

(ii) If the Institution fails to observe or perform any covenant, condition, agreement or provision contained in this Agreement with respect to the Project (including, without limitation, the insurance, maintenance or repair of the Project and the payment of taxes or other governmental charges thereon), whether or not there is an Event of Default hereunder, the Trustee may perform such covenant, condition, agreement or provision in its own name or in the Institution's name, and is hereby irrevocably appointed the Institution's attorney-in-fact for such purpose. The Trustee shall give at least seven (7) days' notice to the Institution before taking action under this section, except that in the case of emergency as reasonably determined by the Trustee, the Trustee may act on lesser notice or give the notice promptly after rather than before taking the action. The reasonable cost of any such action by the Trustee shall be paid or reimbursed by the Institution pursuant to Subsection 308(g).

(d) Actions for Protection of Bondowners. The Trustee shall not be required to monitor the financial condition of the Institution or the physical condition of the Project and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with it hereunder, except to make them available for inspection by Bondowners. Upon a failure of the Institution to make a payment required of it under Subsection 308(a) when the same becomes due and payable, the Trustee shall give written notice thereof to the Issuer and the Institution. The Trustee shall not be required to take notice of any other breach or default by the Institution or the Issuer except when given written notice thereof by the Owners of at least ten percent (10%) in principal amount of the Outstanding Bonds. The Trustee shall give default notices under Section 601 and accelerate payments under Section 602 when instructed to do so by the written direction of the Owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds. The Trustee shall proceed under Section 603 for the benefit of the Bondowners in accordance with the written directions of the Owners of a majority in principal amount of the Outstanding Bonds. The Trustee shall not be required, however, to take any remedial action (other than acceleration or the giving of notice) unless reasonable indemnity is furnished for any expense or liability to be incurred therein.

Upon receipt of written notice, direction or instruction and indemnity, as provided above, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Trustee shall promptly pursue the remedy provided by this Agreement or any of such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Bondowners, and in its actions under this paragraph, the Trustee shall act for the protection of the Bondowners with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs.

(e) Responsibility. The Trustee shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken in good faith in reliance on such advice. The Trustee may rely conclusively on any notice, certificate or other document furnished to it under this Agreement and reasonably believed by it to be genuine. The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed under this Agreement or omitted to be taken by it by reason of the lack of direction or instruction required for such action, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment or consent or other action by the Trustee is called for by this Agreement, the Trustee may defer such action pending receipt of such evidence, if any, as it may reasonably require in support thereof. A permissive right or power to act shall not be construed as a requirement to act. The Trustee shall in no event be liable for the application or misapplication of funds, or for other acts or defaults, by any person, firm or corporation except by its own directors, officers, agents and employees. No recourse shall be had by the Institution, the Issuer or any Bondowner for any claim based on this Agreement, the Bonds or any agreement securing the same against any director, officer, agent or employee of the Trustee unless such claim is based upon the bad faith, fraud or deceit of such person. For the purposes of this Agreement matters shall not be considered to be known to the Trustee unless they are known to an officer in its corporate trust department or to an employee in its corporate trust department who is authorized to sign certificates of authentication on bonds on behalf of the Trustee. The Trustee shall not be responsible for any offering document.

(f) Ownership of Bonds. The Trustee may be or become the Owner of or trade in Bonds with the same rights as if it were not the Trustee.

(g) Surety Bond. The Trustee shall not be required to furnish any bond or surety.

(h) Continuation Statements. It shall be the duty of the Trustee to file, or cause to be filed, such continuation statements, if any, as may be required by the UCC with respect to any security interest granted to the Issuer or the Trustee hereunder for the benefit of the Bondowners.

(i) Financial Obligations. Nothing contained in this Agreement shall in any way obligate the Trustee to pay any debt or meet any financial obligations to any person in relation to the Project except from moneys received under the provisions of this Agreement or from the exercise of the Trustee's rights hereunder other than the moneys received for its own purposes.

(j) Bond Registrar and Transfer Agent. The Trustee shall act as the Bond registrar and transfer agent.

Section 703. Fees and Expenses of the Trustee. Except to the extent the Trustee has been paid or reimbursed from the Expense Fund or the Project Fund, the Institution shall pay to the Trustee reasonable compensation for its services and pay or reimburse the Trustee for its reasonable expenses and disbursements, including attorneys' fees, hereunder. The Institution shall indemnify and save the Trustee and its directors, officers and employees harmless against any expenses (including reasonable attorneys' fees and expenses) and liabilities that it may incur in the exercise of its duties hereunder and which are not due to its negligence or bad faith. Any fees, expenses, reimbursements or other charges which the Trustee may be entitled to receive from the Institution hereunder, if not paid when due, shall bear interest at the "prime rate" of the Trustee (or, if none, the nearest equivalent), and if not otherwise paid, shall be a first lien upon any funds or other property then or thereafter held hereunder by the Trustee. The Trustee may apply any such funds to any of the foregoing items, and in that event the lien of this section shall continue to apply to any other such funds, and the Institution shall remain liable for the same. Any subsequent payment of any such item by the Institution shall be used to restore the funds so applied. The indemnification provisions of this section shall survive the termination of this Agreement.

Section 704. Resignation or Removal of the Trustee. The Trustee may resign on not less than thirty (30) days' notice given in writing to the Issuer, the Bondowners and the Institution, but such resignation shall not take effect until a successor has been appointed by the Institution. The Trustee will promptly certify to the Issuer that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. The Trustee may be removed (i) by written notice from the Owners of a majority in principal amount of the Outstanding Bonds to the Trustee, the Issuer and the Institution; (ii) with or without cause by the Institution with the approval of the Issuer if the Institution is not in default or (iii) with cause by the Issuer.

Section 705. Successor Trustee. Any corporation or association which succeeds to the corporate trust business of the Trustee as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of the Trustee under this Agreement, without any further act or conveyance.

In case the Trustee resigns or is removed or becomes incapable of acting, or becomes bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if a public officer takes charge or control of the Trustee, or of its property or affairs, a successor shall be appointed by written notice from the Institution to the Issuer. The successor Trustee shall notify the Bondowners of the appointment in writing within twenty (20) days from the appointment. If no appointment of a successor is made within forty-five (45) days after the giving of written notice in accordance with Section 704 or after the occurrence of any other event requiring or authorizing such appointment, the outgoing Trustee or any Bondowner may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor Trustee appointed under this section shall be a trust company or a bank having the powers of a trust company, authorized to serve as Trustee under the Act, having a capital and surplus of not less than $75,000,000. Any such successor Trustee shall notify the Issuer and the Institution of its acceptance of the appointment and, upon giving such notice, shall become Trustee, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Such successor Trustee shall execute, deliver, record and file such instruments as are required to confirm or perfect its succession hereunder and any predecessor Trustee shall from time to time execute, deliver, record and file such instruments as the incumbent Trustee may reasonably require to confirm or perfect any succession hereunder.

ARTICLE VIII
THE ISSUER.

Section 801. Corporate Organization, Authorization and Power. The Issuer represents and warrants as follows:

(i) it is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, established under Chapter 23G of the Massachusetts General Laws, with the power under and pursuant to the Act, to execute and deliver this Agreement and to perform its obligations hereunder, and to issue and sell the Bonds pursuant to this Agreement;

(ii) it has taken all necessary action and has complied with all provisions of the Constitution of The Commonwealth of Massachusetts and the Act required to make this Agreement and the Bonds the valid obligations of the Issuer which they purport to be; and, when executed and delivered by the parties hereto, this Agreement will constitute a valid and binding agreement of the Issuer enforceable in accordance with its terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied;

(iii) when delivered to and paid for by the initial purchasers in accordance with the terms of this Agreement, the Bonds will constitute valid and binding special obligations of the Issuer enforceable in accordance with their terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied, and will be entitled to the benefits of this Agreement; and

(iv) the Issuer makes no other representations or warranties, either express or implied, of any nature or kind, including, without limitation, a representation or warranty that interest on the Bonds is or will continue to be exempt from federal or state income taxation.

Section 802. Covenant as to Payment; Faith and Credit of Commonwealth Not Pledged. The Issuer covenants that it will promptly pay or cause to be paid the principal of, interest, premium, if any, and other charges, if any, on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds, provided, however, that the Bonds do not now and shall never constitute a general obligation of the Issuer or a debt or pledge of the faith and credit of The Commonwealth of Massachusetts, and all covenants and undertakings by the Issuer hereunder and under the Bonds to make payments are special obligations of the Issuer payable solely from the revenues and funds pledged hereunder.

Section 803. Rights and Duties of the Issuer.

(a) Remedies of the Issuer. Notwithstanding any contrary provision in this Agreement, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, directors, employees and agents and for collection or reimbursement of moneys due to it under this Agreement for its own account. The Issuer may enforce its rights under this Agreement that have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Institution of its obligations to the Issuer under this Agreement, including court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Limitations on Actions. Without limiting the generality of Subsection 803(c), the Issuer shall not be required to monitor the financial condition of the Institution and shall not have any responsibility or other obligation with respect to reports, notices, certificates or other documents filed with it hereunder.

(c) Responsibility. The Issuer and its officers, directors, employees and agents shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken or omitted to be taken in good faith in reliance on such advice. They may rely conclusively on any communication or other document furnished to them under this Agreement and reasonably believed by them to be genuine. No such person shall be liable for any action (i) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (ii) in good faith omitted to be taken by it because reasonably believed to be beyond the discretion or powers conferred upon it, (iii) taken by it pursuant to any direction or instruction by which it is governed under this Agreement or (iv) omitted to be taken by it by reason of the lack of direction or instruction required for such action, nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person except its own directors, officers and employees. When any consent or other action by the Issuer is called for by this Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. It shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is provided for any expense or liability to be incurred thereby. It shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the "prime rate" of the Trustee, as announced from time to time (or, if none, the nearest equivalent), in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act shall be construed as a requirement to act; and no delay in the exercise of any such right or power shall affect the subsequent exercise of that right or power. The Issuer shall not be required to take notice of any breach or default by the Institution under this Agreement except when given notice thereof by the Trustee. No recourse shall be had by the Institution, the Trustee or any Bondowner for any claim based on this Agreement, the Bonds or any agreement securing the same against any director, officer, agent or employee of the Issuer alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in this Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future director, officer, employee or agent of the Issuer in his or her individual capacity, and no person executing a Bond shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

Without limiting the generality of the foregoing, the Institution acknowledges that in the event of an examination, inquiry or related action by the Internal Revenue Service with respect to the Bonds or the exclusion of interest thereon from the gross income of the holders thereof for federal income tax purposes, the Issuer may be treated as the responsible party, and the Institution agrees to respond promptly and thoroughly to the satisfaction of the Issuer to such examination, inquiry or related action on behalf of and at the direction of the Issuer. The Institution further agrees to pay all costs of counsel selected by the Issuer to represent the Issuer in connection with such examination, inquiry or related action. The Institution shall indemnify and hold harmless the Issuer against any and all costs, losses, claims, penalties, damages or liability of or resulting from such examination, inquiry or related action by the Internal Revenue Service, including any settlement thereof by the Issuer. The Institution agrees to promptly give the Issuer and applicable bond counsel copies of all relevant documents received from the Internal Revenue Service and otherwise cooperate and keep the Issuer and applicable bond counsel apprised of the status with respect to such examination, inquiry or related action. The Issuer agrees to request that bond counsel promptly give the Institution copies of all relevant documents received from the Internal Revenue Service and otherwise cooperate and keep the Institution apprised of the status with respect to such examination, inquiry or related action.

(d) Financial Obligations. Nothing contained in this Agreement is intended to impose any pecuniary liability on the Issuer nor shall it in any way obligate the Issuer to pay any debt or meet any financial obligations to any person at any time in relation to the Project except from moneys received under the provisions of this Agreement or from the exercise of the Issuer's rights hereunder other than moneys received for its own purposes.

ARTICLE IX
THE BONDOWNERS.

Section 901. Action by Bondowners. Any request, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Bondowners may be contained in and evidenced by one or more writings of substantially the same tenor signed by the requisite number of Bondowners or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Agreement (except as otherwise herein expressly provided) if made in the following manner, but the Issuer or the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

The fact and date of the execution by any Bondowner or its attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Issuer or to the Trustee or of any notary public or other officer authorized to take acknowledgements of deeds to be recorded in the state in which he or she purports to act, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondowner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or an assistant clerk or secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books for the Bonds maintained by the Trustee.

Any request, consent or vote of the Owner of any Bond shall bind all future Owners of such Bond. Bonds owned or held by or for the account of the Issuer or the Institution shall not be deemed Outstanding Bonds for the purpose of any consent or other action by Bondowners.

Section 902. Proceedings by Bondowners. No Bondowner shall have any right to institute any legal proceedings for the enforcement of this Agreement or any applicable remedy hereunder, unless the Bondowners have directed the Issuer to act and furnished the Issuer indemnity as provided in Subsection 803(c) and have afforded the Issuer reasonable opportunity to proceed, and the Issuer shall thereafter fail or refuse to take such action.

No Bondowner shall have any right to institute any legal proceedings for the enforcement of the obligations of the Issuer under this Agreement or any applicable remedy hereunder, unless the Bondowners have directed the Trustee to act and furnished the Trustee indemnity as provided in Subsection 702(d) and have afforded the Trustee reasonable opportunity to proceed, and the Trustee shall thereafter fail or refuse to take such action.

Subject to the foregoing, any Bondowner may by any available legal proceedings enforce and protect its rights hereunder and under the laws of The Commonwealth of Massachusetts.

ARTICLE X
THE INSTITUTION.

Section 1001. Corporate Organization, Authorization and Powers. The Institution represents and warrants that it is a corporation duly organized and validly existing under the laws of The Commonwealth of Massachusetts, with the power to enter into and perform this Agreement, and that by proper corporate action it has duly authorized the execution and delivery of this Agreement. The Institution further represents and warrants that the execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not conflict with or constitute a breach of or default under any bond, indenture, note or other evidence of indebtedness of the Institution, the charter or by-laws of the Institution, any gifts, bequests or devises pledged to or received by the Institution or any contract, lease or other instrument to which the Institution is a party or by which it is bound or cause the Institution to be in violation of any applicable statute or rule or regulation of any governmental authority.

Section 1002. Tax Matters. The Institution shall not take or omit to take any action if such action or omission would (i) cause the Bonds to be "arbitrage bonds" under Section 148 of the IRC, including, without limitation, as a result of computing the yield on any investment acquired with Bond proceeds other than on the basis of the "fair market value" (within the meaning of Treas. Reg. §1.148-5(d)(6)) of such investment at the time of acquisition, (ii) cause the Bonds to not meet any of the requirements of Section 149 of the IRC, or (iii) cause the Bonds to cease to be "qualified 501(c)(3) bonds" under Section 145 of the IRC. Without limiting the foregoing, the Institution shall not permit the $150,000,000 nonhospital bond limitation of IRC§145(b) to be exceeded. To the extent consistent with its status as a nonprofit educational institution, the Institution agrees that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of such federal income tax status of the Institution.

Partly in furtherance of the foregoing, the Issuer and the Institution are entering into the Tax Certificate with respect to matters of federal tax law pertaining to the Bonds. The Tax Certificate, including any provisions therein permitting amendment thereof or otherwise permitting the altering of actions allowed or required thereby upon receipt of an Opinion of Bond Counsel, will be treated as incorporated by reference herein and the Institution shall comply with the covenants therein.

Section 1003. Securities Law Status. The Institution represents and warrants that it is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit; and that no part of its earnings inures to the benefit of any person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended. The Institution shall not take any action or omit to take any action if such action or omission would change its status as set forth in this section.

Section 1004. Rates and Charges. The Institution agrees, subject to any governmental restrictions, its fiduciary obligations and limitations imposed by law, to charge and collect rates and charges which, together with any other moneys legally available to it, shall provide moneys sufficient at all times: (a) to make the payments required by this Agreement and comply with this Agreement in all other respects, and (b) to satisfy all other obligations of the Institution in a timely fashion.

Section 1005. Annual Reports and Other Current Information. Within one hundred fifty (150) days after the close of each fiscal year, the Institution shall furnish to the Trustee and the Issuer, and to Bondowners requesting the same, copies of its audited financial statements, unless such audited financial statements are available for public access on the Electronic Municipal Market Access ("EMMA") website or the Institution's website. If such statements are not so available, then copies of the reports and statements required to be filed with the Trustee pursuant to this section shall be filed with the Trustee in sufficient quantity to permit the Trustee to retain at least one copy for inspection by Bondowners and to permit the Trustee to mail a copy to each Bondowner who requests it. The Trustee shall maintain a list of Bondowners who have made such a request. The Institution shall furnish to the Rating Agencies such information as they may reasonably require for current reports to their subscribers.

Section 1006. Maintenance of Corporate Existence. The Institution shall maintain its existence as a nonprofit corporation qualified to do business in Massachusetts and shall not dissolve, dispose of or spin off all or substantially all of its assets, or consolidate with or merge into another entity or entities, or permit one or more other entities to consolidate with or merge into it, except that it may consolidate with or merge into one or more other entities or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to one or more other entities (and thereafter dissolve or not dissolve as it may elect), if (a) the surviving, resulting or transferee entity or entities each is a corporation described in Section 501(c)(3) of the IRC having the status and powers set forth in Sections 1001 and 1003, (b) the transaction does not result in a conflict, breach or default referred to in Section 1001, and (c) the surviving, resulting or transferee entity or entities, if not the Institution, each (i) assumes in writing all the obligations of the Institution hereunder, (ii) notifies the Issuer and the Trustee of any change in the name of the Institution, ~~and (iii) executes, delivers, registers, records and files such other instruments as the Issuer or the Trustee may reasonably require to confirm, perfect or maintain the security granted hereunder in the tuition receipts.~~

Section 1007. **[Reserved.]**~~Additional Indebtedness; Parity Position of Bonds. (a) The Institution shall not incur any additional Indebtedness on a parity with the Bonds and the Parity Tuition Lien Indebtedness (except to refund existing Indebtedness that is on a parity with the Bonds) unless the Trustee receives a certificate of an Authorized Officer of the Institution that prior to the incurrence of such proposed additional Indebtedness, Maximum Total Principal and Interest Requirements do not exceed twelve percent (12%) of unrestricted operating revenues (or equivalent line item if not so captioned) as shown on the most recent audited financial statements of the Institution.~~

~~(b) Subject to Subsection 1007(a), the Institution may incur additional Indebtedness on a parity with the Bonds and the Parity Tuition Lien Indebtedness as to the lien on the Institution's tuition receipts as described in the Parity Tuition Lien Agreements. The Bonds have qualified as "Alternative Indebtedness" with respect to the Parity Tuition Lien Indebtedness and as a result the Bonds are on a parity with the Parity Tuition Lien Indebtedness as to the lien on the Institution's tuition receipts. So long as any Parity Tuition Lien Indebtedness is "Outstanding" as defined in the related Parity Tuition Lien Agreement, the provisions of the Alternative Indebtedness Agreement shall control proceedings with respect to the Institution's tuition receipts.~~

Section 1008. **[Reserved.]**~~Debt Service on Balloon Indebtedness. At the election of the Institution, for the purpose of determining Total Principal and Interest Requirements, the principal and interest deemed to be payable on Balloon Indebtedness shall be as set forth below:~~

(a) ~~If the Institution has obtained a binding commitment of a responsible financial institution satisfactory to the Issuer to refinance such Balloon Indebtedness (or a portion thereof), including without limitation, a letter of credit or a line of credit, which commitment is subject only to such conditions as are reasonably acceptable to the Issuer, the Balloon~~

~~Indebtedness (or portion thereof) may be deemed to be payable in accordance with the terms of the refinancing arrangement; or~~

(b) ~~If (i) the Date of Maturity of any portion of such Balloon Indebtedness is more than eighteen (18) months after the date of any transaction for which a determination of Total Principal and Interest Requirements is made, or (ii) the condition of Subsection 1008(a) is satisfied with respect to such portion by a financing arrangement having a term not less than three (3) years, such portion of such Balloon Indebtedness may be deemed (but, with respect to Balloon Indebtedness described in clause (i) above, subject to the approval of the Issuer) to be indebtedness payable over a fifteen (15) year term, at the interest rate certified below, in equal annual installments of principal and interest, provided that the Institution has delivered to the Issuer a certificate of an investment banker satisfactory to the Issuer stating that it is reasonable to assume that such indebtedness of the Institution could be sold and stating the interest rate then applicable to fifteen (15) year obligations of comparable quality and type.~~

Section 1009. Continuing Disclosure. The Institution and the Trustee hereby covenant and agree that each will comply with and carry out all of the provisions of the Continuing Disclosure Agreement applicable to it. The Issuer shall have no liability to the Owners of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of this Agreement, failure of the Institution or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Owner (including a Beneficial Owner) of Bonds may seek specific performance of the Institution's or the Trustee's obligations to comply with its obligations under the Continuing Disclosure Agreement or this Section 1009 and not for money damages in any amount.

Section 1010. Indemnification by the Institution. The Institution, regardless of any agreement to maintain insurance, will indemnify the Issuer and the Trustee against: (a) any and all claims by any person related to the participation of the Issuer in the transactions contemplated by this Agreement, including without limitation claims arising out of (i) any condition of the Project or the construction, use, occupancy or management thereof; (ii) any accident, injury or damage to any person occurring in or about or as a result of the Project; (iii) any breach by the Institution of its obligations under this Agreement; (iv) any act or omission of the Institution or any of its agents, contractors, servants, employees or licensees; or (v) the offering, issuance, sale or any resale of the Bonds to the extent permitted by law, and (b) all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Issuer or the Trustee by reason of any such claim, the Institution will defend the same at its expense upon notice from the Issuer or the Trustee, as applicable, and the Issuer or the Trustee will cooperate with the Institution, at the expense of the Institution, in connection therewith. This indemnification shall survive the termination or defeasance of this Agreement.

ARTICLE XI
MISCELLANEOUS.

Section 1101. Amendment. This Agreement may be amended by the parties without Bondowner consent for any of the following purposes: (a) to subject additional property to the lien of this Agreement, (b) to provide for the establishment or amendment of a book entry system of registration for the Bonds through a securities depository (which may or may not be DTC), (c) to add to the covenants and agreements of the Institution or to surrender or limit any right or power of the Institution, or (d) to cure any ambiguity or defect, or to add provisions which are not inconsistent with this Agreement and which do not impair the security for the Bonds.

Except as provided in the foregoing paragraph, this Agreement may be amended only with the written consent of the Owners of at least a majority in principal amount of the Outstanding Bonds; provided, however, that no amendment of this Agreement may be made without the unanimous written consent of the affected Bondowners for any of the following purposes: (i) to extend the maturity of any Bond, (ii) to reduce the principal amount or interest rate of any Bond, (iii) to make any Bond redeemable other than in accordance with its terms, (iv) to create a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) to reduce the percentage of the Bonds required to be represented by the Bondowners giving their consent to any amendment.

Any amendment of this Agreement shall be accompanied by an opinion of Bond Counsel to the effect that the amendment (i) is permitted by this Agreement and (ii) will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

When the Trustee determines that the requisite number of consents have been obtained for an amendment which requires Bondowner consents, it shall, within ninety (90) days, file a certificate to that effect in its records and mail notice to the Bondowners. No action or proceeding to invalidate the amendment shall be instituted or maintained unless it is commenced within sixty (60) days after such mailing. The Trustee will promptly certify to the Issuer that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. A consent to an amendment may be revoked by a notice given by the Bondowner and received by the Trustee prior to the Trustee's certification that the requisite consents have been obtained.

Section 1102. Successors and Assigns. The rights and obligations of the parties to this Agreement shall inure to their respective successors and assigns.

Section 1103. Notices. Unless otherwise expressly provided, all notices to the Issuer, the Trustee and the Institution shall be in writing and shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid, or delivered during a Business Day or sent by facsimile during a Business Day as follows: (a) to the Issuer at 99 High Street, Boston, Massachusetts 02110, attention of Senior Vice President for Investment Banking, Tel: (617) 330-2000; Fax: (617) 330-2001, with a copy to the Deputy General Counsel, (b) to the Trustee at One Federal Street, 3rd Floor, Boston, Massachusetts 02110, attention of Corporate Trust Department, Tel: 617-603-6567; Fax: 617-603-6667; (c) to the Institution at 881 Commonwealth

Avenue, Boston, Massachusetts 02215, attention of Senior Vice President, Chief Financial Officer and Treasurer, Tel: 617-353-2290; Fax: 617-353-5492; (d) to the Managing Underwriters at Bank of America Merrill Lynch, One Bryant Park, 12th Floor, New York, NY 10036, attention of Sarah Strickland; or, as to all of the foregoing, to such other address as the addressee shall have indicated by prior written notice to the one giving notice. All notices to a Bondowner shall be in writing and shall be deemed sufficiently given if sent by mail, postage prepaid, to the Bondowner at the address shown on the registration books maintained by the Trustee. A Bondowner may direct the Trustee to change its address as shown on the registration books by written notice to the Trustee.

Notice hereunder may be waived prospectively or retrospectively by the person entitled to the notice, but no waiver shall affect any notice requirement as to other persons.

Section 1104. Agreement Not for the Benefit of Other Parties. This Agreement is not intended for the benefit of and shall not be construed to create rights in parties other than the Institution, the Issuer, the Trustee and the Bondowners.

Section 1105. Severability. In the event that any provision of this Agreement shall be held to be invalid in any circumstance, such invalidity shall not affect any other provisions or circumstances.

Section 1106. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

Section 1107. Captions. The captions and table of contents of this Agreement are for convenience only and shall not affect the construction hereof.

Section 1108. Governing Law. This instrument shall be governed by the laws of The Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal all as of the date first above written.

(Seal)

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

By: ______________________________________
Authorized Officer

(Seal)

TRUSTEES OF BOSTON UNIVERSITY

By: ______________________________________
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ______________________________________
Title:

Schedule A

Series BB-1 Bonds – Project Description

Proceeds of the Series BB-1 Bonds will be used to advance refund the Series V-1 Bonds, the proceeds of which were used to currently refund the Series H Bonds. Proceeds of the Series H Bonds were used to fund certain projects on a "new money" basis and to refund a portion of the Series E Bonds and the Series F Bonds. Below is a list of the projects financed and refinanced with proceeds of the Series H Bonds.

Series H New Money:

I. Property Acquisitions

1. 278 and 284-286 Babcock Street
   Acquisition of 141,120 square foot lot and structure.

II. Residence Halls

1. 277 Babcock Street
   Refurbishing second floor space for dormitory use.

III. Academic Facilities

1. 44 Cummington Street
   Completion of construction of the engineering building.

2. 675 Commonwealth Avenue (Stone Science)
   Refurbishing academic building.

3. 712 Beacon Street and
   590-596 Commonwealth Avenue (Science Center)
   Landscaping and beautification of area in front of Science Center.

4. 685 Commonwealth Avenue (SMG)
   Refurbishing academic building. Installation of a sloped floor in the lecture auditorium, new seating and audio visual equipment.

5. 602 Commonwealth Avenue (Morse Auditorium)
   Installation of elevator to make building accessible to the handicapped.

6. West Street, Lenox (Tanglewood Institute)
   Renovation of existing facilities; construction of new facilities.

7. 620 Commonwealth Avenue (SAR)
   Refurbishing, equipping, and adding two stories to academic building.

8. Blandford Cummington Street Corner
Constructing and equipping an approximately 149,000 gross square foot academic/research building with a basement and 5 stories.

IV. Administrative/Other Buildings

1. 881 Commonwealth Avenue/25 Buick Street (Administration Building)

   a. Upgrading elevators, making major improvements to the electrical system and renovation as needed.

2. 32 Gaffney Street (Boston University Police Station)

   a. Purchase and installation of BAPERN (Boston Area Police Emergency Radio Network) radio system.

   b. Renovation of existing facility and construction of entryway/reception area.

3. 775 Commonwealth Avenue (George Sherman Union) Renovation of kitchen facility to include expanded refrigeration and receiving, replacement of the kitchen floor and ceiling.

4. 111 Cummington Street
Replace roof.

5. 120 Ashford Street
$2.5 million for the reimbursement of the acquisition, and $1.6 million for refurbishment and renovation of the building for use as administrative offices and warehouse space (for the Bookstore and the University).

****

Series E Project Description

The Series E Project includes the following activities:

1. acquisition of the buildings located at the following addresses for use as educational buildings:

   590-596 and 808 Commonwealth Avenue;

2. renovation of the buildings located at the following addresses for use as administrative buildings:

   775 Commonwealth Avenue and 25 Buick Street;

3. acquisition of land and the building located at the following addresses for use for educational purposes or purposes ancillary thereto:

    582 and 584 Commonwealth Avenue;

4. acquisition of the building located at the following address for use as an educational building:

    712 Beacon Street (a/k/a 586-588 Commonwealth Avenue);

5. renovation of the buildings located at the following addresses for use as educational buildings:

    590-596 Commonwealth Avenue, 38, 111 and 108-112 Cummington Street, 12 Babbitt Street and 712 Beacon Street (a/k/a 586-588 Commonwealth Avenue);

6. construction of a new building containing a basement and one story at the following address for use as an educational building:

    22 (formerly known as 18, 22 and 24) Babbitt Street;

7. installation of a pedestrian walkway between the buildings, used for educational purposes, located at the following addresses:

    590-596 Commonwealth Avenue and 2 Cummington Street.

****

<u>Series F Project Description</u>

The Series F Project includes the acquisition of land, site development, construction or alteration of buildings or the acquisition or installation of materials, furnishings, equipment or other property, or any combination of the foregoing with respect to:

1. School for the Arts (855 Commonwealth Avenue) - HVAC renovations;

2. 91 Bay State Road (Shelton Dormitory) renovations;

3. 985 Commonwealth Avenue ventilation renovations;

4. 141 Bay State Road renovations;

5. 620 Commonwealth Avenue renovations (neurology) and permanent power installation;

6. College of Liberal Arts - Spectrometer;

7. 808 Commonwealth Avenue renovations (Hotel and food lab); and

8. Astroturf for Nickerson Field.

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