TRUST AGREEMENT

Between

MOREHEAD STATE UNIVERSITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Securing:

General Receipts Obligations

of

Morehead State University

Dated as of July 1, 2007

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TRUST AGREEMENT

THIS TRUST AGREEMENT (the "Trust Agreement"), dated as of July 1, 2007, between MOREHEAD STATE UNIVERSITY (the "University"), a public body corporate, and an educational institution and agency of the Commonwealth of Kentucky, and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and validly existing under the laws of the United States of America, authorized to exercise trust powers in the Commonwealth of Kentucky, duly qualified to accept and administer the trusts hereby created and having offices in Louisville, Kentucky (the "Trustee"), as Trustee (with all terms used in the following recitals with initial capitalization but not defined herein having the meanings given them in Article I hereof):

W I T N E S S E T H:

WHEREAS, the University, by adoption of the Prior Basic Resolution, has provided for the issuance from time to time of Consolidated Educational Buildings Revenue Bonds of the University, with each such issue authorized by a series resolution adopted by the Board; and

WHEREAS, the University, under the Prior Housing Indenture, has provided for the issuance from time to time of Housing System Revenue Bonds of the University, with each such issue authorized by a supplemental trust indenture; and

WHEREAS, the University desires to, from this time forward, provide for the financing of capital projects by the issuance of General Receipts Obligations and from and after the date of execution and delivery hereof, the University will no longer issue "bonds" under the Prior Basic Resolution and will only issue "bonds" under the Prior Housing Indenture if the issuance of such bonds complies with the terms of this Trust Agreement; and

WHEREAS, bonds are currently outstanding under the Prior Financing Documents and certain Obligations issued under this Trust Agreement will be subject to the provisions of the Prior Financing Documents until such bonds are no longer outstanding under the terms of the Prior Financing Documents; and

WHEREAS, by the Constitution and laws of the Commonwealth of Kentucky, and particularly the Act, and pursuant to the 2007 General Bond Resolution, the University has authorized entering into this Trust Agreement with the Trustee providing for the issuance from time to time of Obligations, with each issue of Obligations to be authorized by a Series Resolution, which Series Resolution shall, if required hereunder, authorize a Supplemental Trust Agreement, supplementing this Trust Agreement, pertaining to that issue of Obligations;

WHEREAS, all acts, conditions and things required to happen, exist and be performed precedent to and in the execution and delivery of this Trust Agreement have happened, exist and been performed in order to make the Obligations, when authorized and issued in accordance with this Trust Agreement, valid obligations of the University in accordance with the terms thereof and hereof, and in order to make this Trust Agreement a valid, binding and legal trust agreement for the security of the Obligations in accordance with its terms; and

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

NOW THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the payment of the Debt Service Charges according to their true intent and meaning, and to secure the performance and observance of all the covenants, agreements and conditions therein and herein contained and to secure any obligations of the University to Hedge Providers and Credit Support Providers to the extent of any obligation of the University for amounts due under Interest Rate Hedge Agreements and Credit Support Instruments, and to declare the terms and conditions upon and subject to which the Obligations are and are intended to be issued, authenticated, delivered, accepted, held, secured and enforced, the University, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and for other good and valuable considerations, the receipt of which is hereby acknowledged, has executed and delivered this Trust Agreement and, subject to the provisions of Section 4.09 hereof, by these presents does hereby pledge, the General Receipts and all of the University's right, title and interest in the Special Funds (provided, that the Debt Service Fund and the accounts therein shall be pledged as security only for Debt Service Payments for which the Debt Service Fund and the Accounts therein have been pledged as security pursuant to a Series Resolution), if any, including all accounts in those Funds and all moneys deposited therein and the investment earnings thereon unto the Trustee, and to its successors in said trust and to it and its assigns, and does hereby covenant and agree to apply the General Receipts to the extent and in the manner in this Trust Agreement provided; provided that the pledge hereunder of Prior Pledged Funds and Prior Pledged Revenues, as distinguished from all other Special Funds and General Receipts, shall be subordinate to (i) the pledge of the "Revenue Fund" created by the Prior Basic Resolution and Prior Pledged Revenues set forth in the Prior Basic Resolution until no Prior Obligations are outstanding thereunder and (ii) the pledge of the "1966 Revenue Fund Account" created by the Prior Housing Indenture and Prior Pledged Revenues set forth in the Prior Housing Indenture until no Prior Obligations are outstanding thereunder; provided further that, (y) no funds or accounts created by the Prior Basic Resolution other that the "Revenue Fund" are pledged hereby and (z) except for the "1966 Revenue Fund Account" created by the Prior Housing Indenture pledged in clause (ii) above, the pledge of Prior Pledged Funds pledged under the Prior Housing Indenture shall be pledged only to Obligations which constitute Housing Bonds until no Housing Bonds are outstanding under the Prior Housing Indenture. The Revenue Fund required to be maintained by the terms of this Trust Agreement is not pledged as security hereunder, it being understood that, to the extent that amounts therein constitute General Receipts, such amounts are pledged as hereinabove set forth.

Subject to the provisions hereof, this Trust Agreement is made for the equal and proportionate benefit, security and protection of all Holders of Obligations issued under and secured by this Trust Agreement and of Hedge providers to the extent of any obligation of the University to pay Hedge Providers amounts due under Interest Rate Hedge Agreements and of Credit Support Providers to the extent of any obligation of the University to reimburse Credit Support Providers for amounts provided under Credit Support Instruments, and for the enforcement of the payment of the Debt Service Charges when payable, according to the true intent and meaning thereof and of this Trust Agreement, and to secure the payment of any other obligations of the University to Hedge Providers or Credit Support Providers, to the extent provided in Supplemental Trust Agreements, and, subject to the terms of the applicable Supplemental Trust Agreement, to secure the performance of and compliance with the covenants, terms and conditions of this Trust Agreement, without preference, priority or distinction of any one Obligation, Interest Rate Hedge Agreement or Credit Support Instrument over any other by reason of series designation, number, date of authentication, issuance, sale, execution, or delivery, date of the Obligations, Interest Rate Hedge Agreement or Credit Support

Instrument, or of maturity, or otherwise, to the extent provided in and except as otherwise permitted by this Trust Agreement, it being intended that the security of this Trust Agreement shall continue uninterrupted without regard to the date of actual issue, sale or disposition of the Obligations, Interest Rate Hedge Agreements or Credit Support Instruments as though upon such date all the Obligations, Interest Rate Hedge Agreements or Credit Support Instruments were actually issued, sold and delivered to purchasers for value; provided, however, that if all Debt Service Charges are paid or caused to be paid in accordance with Sections 8.01 and 8.02 of this Trust Agreement as well as obligations of the University to Hedge Providers and Credit Support Providers to the extent set forth in Supplemental Trust Agreements, and the University shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Trust Agreement to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee and Paying Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof, then this Trust Agreement and the rights hereby granted shall cease, determine and be void; otherwise this Trust Agreement shall be and remain in full force and effect.

And it is expressly declared that all Obligations issued and secured hereunder are to be issued, authenticated and delivered, and all General Receipts and the Special Funds are to be dealt with, disposed of, and applied, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes provided in this Trust Agreement and the University has agreed and covenanted, and does hereby further agree and covenant, with the Trustee and with the respective Holders from time to time of the Obligations, or any part thereof, as follows:

END OF RECITALS

ARTICLE I

DEFINITIONS OF TERMS, AND OTHER PROVISIONS CONCERNING INTERPRETATION

Section 1.01. Definitions of Terms. Unless otherwise apparent from the context, the terms defined in this Article I shall for all purposes of this Trust Agreement have the meanings herein specified. Except where otherwise indicated or provided, words in the singular number include the plural as well as the singular number and vice versa.

"Act" means Sections 162.340 to 162.380 of the Kentucky Revised Statutes, Chapter 56 of the Kentucky Revised Statutes and Sections 58.010 to 58.140 of the Kentucky Revised Statutes as the same may be amended, modified, revised, supplemented, or superseded from time to time.

"Additional Obligation Instruments" means agreements providing for the repayment of money that the University may, from time to time, be authorized to enter into under the laws of the Commonwealth. The definition of Additional Obligation Instruments does not include "Bond" or "Bonds," "Note" or "Notes," Financing Agreements or SPBC Leases.

"ALCo" means the Kentucky Asset/Liability Commission and any successor thereto.

"Authenticating Agent" means the Trustee and the Registrar for the series of Obligations and any bank, trust company or other Person designated as an Authenticating Agent for such series of Obligations by or in accordance with Section 5.16 of this Trust Agreement.

"Beneficial Owner" means, with respect to the Obligations, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

"Beneficial Ownership Interest" means the beneficial right to receive payments and notices with respect to a series of Obligations which are held by a Depository under a Book Entry System.

"Board" means the Board of Regents of the University, or if there shall be no such Board of Regents, such Person or body which, pursuant to law or the organizational documents of the University, is vested with the power to direct the management and policies of the University, and shall include any committee empowered to act on behalf of such board or body.

"Bond" or "Bonds" means any bond, or all of the bonds, or an issue or series of bonds, as the case may be, as so identified in the certificate of the Fiscal Officer, of the University issued pursuant to the 2007 General Bond Resolution, a Series Resolution and this Trust Agreement. The definition of Bond and Bonds does not include "Note" or "Notes," Financing Agreements, SPBC Leases or Additional Obligation Instruments.

"Bond Counsel" means an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds selected by the University or its counsel and acceptable to the Trustee.

"Book Entry Form" or "Book Entry System" means, with respect to the Obligations, a form or system, as applicable, under which (a) the Beneficial Ownership Interests may be transferred only through a book entry and (b) physical Obligation certificates in fully registered

form are registered only in the name of a Depository or its nominee as Holder, with the physical Obligation certificates "immobilized" in the custody of the Depository. The Book Entry System maintained by and the responsibility of the Depository and not maintained by or the responsibility of the University or the Trustee is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in the Obligations.

"Business Day" means a day of the year, other than a Saturday or Sunday, on which banks located in the city in which the principal corporate trust office of the Trustee is located are not required or authorized to remain closed or a day on which The New York Stock Exchange is not closed.

"Certificate of Award" means, with respect to any series of Obligations, the Certificate of Award for such series, if any, authorized in the applicable Series Resolution or the contract of purchase for such series of Obligations.

"Commonwealth" means the Commonwealth of Kentucky.

"Costs of University Facilities" means the costs of or related to University Facilities, and the financing thereof, for the payment of which Obligations may be issued under the Act.

"Credit Support Instrument" means an irrevocable letter of credit, line of credit, standby bond purchase agreement, insurance policy, guaranty or surety bond or similar instrument providing for the payment of or guaranteeing the payment of principal or purchase price of and interest on Obligations when due, either to which the University is a party or which is provided at the request of the University.

"Credit Support Provider" means the provider of a Credit Support Instrument.

"Debt Service Charges" means, generally, for any applicable time period, (i) the principal (including any Mandatory Sinking Fund Requirements), interest and redemption premium, if any, required to be paid by the University on Obligations pursuant to any Series Resolution, less any capitalized interest for such time period and accrued interest on deposit in the Debt Service Payment Account; (ii) any amounts due to a Credit Support Provider to the extent as set forth in a Credit Support Instrument; and (iii) any amounts due to a Hedge Provider to the extent as set forth in an Interest Rate Hedge Agreement.

"Debt Service Fund" means the Debt Service Fund authorized and created in Section 4.01 of this Trust Agreement.

"Debt Service Payment Account" means the Debt Service Payment Account within the Debt Service Fund authorized and created pursuant to Section 4.01 of this Trust Agreement.

"Debt Service Reserve Account" means the Debt Service Reserve Account authorized and created pursuant to Section 4.03 of this Trust Agreement.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, together with its participants a Book Entry System to record beneficial ownership of a series of Obligations, and to effect transfers of such Obligations, in Book Entry Form, and includes the Depository Trust Company (a limited purpose trust company), New York, New York.

"Direct Participant" means a Participant as defined in the Letter of Representations.

"Eligible Investments" means any investment authorized by Section 42.500 and 56.520(5) of the Kentucky Revised Statutes, as the same may be amended, modified, revised, supplemented, or superseded from time to time.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all reasonable expenses (including counsel fees) properly incurred by the Trustee under this Trust Agreement, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include services rendered or expenses incurred by the Trustee in connection with, or in contemplation of, an Event of Default.

"Event of Default" means an Event of Default as defined in Section 6.01 hereof.

"Financial Statements" means the University's Annual Consolidated Financial Statements.

"Financing Agreement" means a "Financing agreement" as defined in Chapter 56 of the Kentucky Revised Statutes between the University and ALCo or the applicable state agency as then provided by law. The definition of Financing Agreement does not include "Bond" or "Bonds," "Note" or "Notes" or Additional Obligation Instruments, but may also mean an SPBC Lease.

"Fiscal Officer" means the Treasurer of the University or such other person designated by the Treasurer or the Board to act as Fiscal Officer for purposes of this Trust Agreement.

"Fiscal Year" means a period of twelve consecutive months constituting the fiscal year of the University commencing on the first day of July of any year and ending on the last day of June of the next succeeding calendar year, both inclusive, or such other consecutive twelve month period as hereafter may be established from time to time for budgeting and accounting purposes of the University by the Board to be evidenced, for purposes hereof, by a certificate of a Fiscal Officer filed with the Trustee.

"Fitch" means Fitch Ratings.

"General Receipts" means, as reported in the Financial Statements (having the designations, to the extent not otherwise defined herein, set forth in the Financial Statements or such successor designations that may hereafter be used in Financial Statements):

(a) certain operating and non-operating revenues of the University, being (i) Student Registration Fees, (ii) nongovernmental grants and contracts, (iii) sales and services of educational activities, (iv) auxiliary enterprises – residence halls, bookstore, other auxiliaries, (iv) other operating revenue, (v) state appropriations, and (vi) investment income;

(b) but excluding (i) any receipts described in clause (a) which are contracts, grants, gifts, donations or pledges and receipts therefrom which, under restrictions imposed in such contracts, grants, gifts, donations or pledges, or, which as a condition of the receipt thereof or of amounts payable thereunder are not available for payment of Debt Service Charges, (ii) federal grants and contracts, and (iii) state and local grants and contracts;

provided, however, that General Receipts may

(c) include any other receipts that may be designated as General Receipts from time to time by a resolution of the Board delivered to the Trustee;

(d) exclude any receipts not heretofore pledged, which may be designated from time to time by a resolution of the Board delivered to the Trustee; and

(e) exclude any receipts heretofore pledged, which may be designated from time to time by a resolution of the Board delivered to the Trustee and each Rating Service then rating any Obligations, but only if each such Rating Service confirms in writing to the University that the exclusion of any such receipt would not cause a reduction or withdrawal of the then current rating on any Outstanding Obligations.

"Government Bonds" means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), and (c) securities which represent an interest in the obligations described in (a) and (b) above.

"Hedge Provider" means the provider of an Interest Rate Hedge Agreement.

"Holder" means any Person in whose name a registered Obligation is registered; provided that ALCo, or its assignee, shall be the Holder of any Financing Agreement and SPBC, or its assignee, shall be the Holder of any SPBC Lease.

"Housing Bonds" means Obligations, the proceeds of which will be used to pay Costs of University Facilities which constitute educational buildings, appurtenant facilities, and/or related auxiliary enterprises for housing and dining purposes of the University.

"Housing System" means "Housing System" as defined in the Prior Housing Indenture

"Housing System Revenues" means operating revenues of the University reported as "auxiliary enterprises – residence halls" in the Financial Statements or any successor designation or designations for such receipts that may hereafter be used in Financial Statements.

"Indirect Participant" means a Person utilizing the Book Entry System of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

"Interest Payment Dates" means the dates specified in the applicable Series Resolution or Certificate of Award on which interest on the Obligations or any series of Obligations is to be paid; provided that for any Housing Bonds, such dates shall be May 1 and November 1 until no bonds are outstanding under the Prior Housing Indenture.

"Interest Rate Hedge Agreement" means an interest rate swap, an interest rate cap or other such arrangement obtained, either directly by the University (or the Trustee on behalf of the University) or through ALCo, with the goal of lowering the effective interest rate to the

University on Obligations or hedging the exposure of the University with respect to its obligations on the Obligations against fluctuations in prevailing interest rates.

"Letter of Representations" means the Blanket Letter of Representations from the University to the Depository.

"Mandatory Sinking Fund Requirements" means amounts required by any Series Resolution or the Certificate of Award to be deposited to the Debt Service Payment Account in any fiscal year for the purpose of retiring principal maturities of Obligations which by the terms of such Obligations are due and payable, if not called for prior redemption, in any subsequent fiscal year.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, and its successors and assigns.

"Notes" or "Note" means any note or all of the notes, or an issue of notes, as the case may be, as so identified in the certificate of the Fiscal Officer issued by the University in anticipation of the issuance of Obligations or receipt of grants or appropriations to pay Costs of University Facilities, or to pay costs of refunding or retirement of Notes previously issued pursuant to the Act, the 2007 General Bond Resolution, a Series Resolution and this Trust Agreement. The definition of Note and Notes does not include "Bond" or "Bonds," Financing Agreements, SPBC Leases or Additional Obligation Instruments.

"Notice Address" means:

(a)	As to the University:	Morehead State University 305 Howell-McDowell Ad. Bldg. Morehead, Kentucky 40351 Attention: Vice President for Administration & Fiscal Services
(b)	As to the Trustee:	U.S. Bank National Association Corporate Trust Services CN-KY-0850 One Financial Square Louisville, Kentucky 40202

"Obligations" means Bonds, Notes, Financing Agreements, SPBC Leases and Additional Obligation Instruments.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered and those expenses (including counsel fees) normally incurred by a trustee under instruments similar to this Trust Agreement.

"Original Purchaser" means, as to any Obligations, the Person or Persons expressly named in the applicable Series Resolution or the Certificate of Award as the original purchaser of those Obligations from the University.

"Outstanding" means, as of any date, Notes and Bonds which have been authenticated, and with respect to all Obligations, have been delivered, or are then being delivered, by the Trustee or the University under this Trust Agreement except:

(a) Obligations surrendered for exchange or transfer or canceled because of payment or redemption at or prior to such date;

(b) Obligations for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited prior to such date with the Trustee or Paying Agents (whether upon or prior to the maturity or redemption date of any such Obligations), or which are deemed to have been paid and discharged pursuant to the provisions of this Trust Agreement; provided that if such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made there for, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee, and provided, further, that if such Obligations are to be purchased for cancellation, a firm offer for sale stating the price has been received and accepted; and

(c) Lost, stolen, mutilated or destroyed Obligations in lieu of which others have been authenticated, if applicable, (or payment, when due, of which is made without replacement) under this Trust Agreement.

"Paying Agents" means any banks or trust companies designated as the paying agencies or places of payment for Obligations by or pursuant to the applicable Series Resolution, and their successors designated pursuant to this Trust Agreement, and shall also mean the Trustee when so designated for such purpose.

"Person" means an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, a trust, an unincorporated organization, or a government or any agency or political subdivision thereof.

"Predecessor Obligation" of any particular Obligation means every previous Obligation evidencing all or a portion of the same debt as that evidenced by the particular Obligation. For the purposes of this definition, any Bond or Note authenticated and delivered under Section 2.07 of this Trust Agreement in lieu of a lost, stolen or destroyed Bond or Note shall, except as otherwise provided in Section 2.07, be deemed to evidence the same debt as the lost, stolen or destroyed Bond or Note.

"Prior Basic Resolution" means the resolution adopted by the Board on November 14, 1960, that has provided for the issuance of Consolidated Educational Buildings Revenue Bonds of the University.

"Prior Financing Documents" means, collectively, the Prior Basic Resolution and the Prior Housing Indenture.

"Prior Funds" means all funds and accounts created by the Prior Financing Documents that are pledged as security and a source of payment of bonds and notes issued thereunder.

"Prior Housing Indenture" means the Trust Indenture dated as of November 1, 1966 (and all supplemental indentures related thereto) between the University and Community Trust Bank, National Association successor to Pikeville National Bank and Trust Company, that has provided for the issuance of Housing System Revenue Bonds of the University.

"Prior Obligations" means any notes or bonds that are outstanding under the Prior Financing Documents.

"Prior Pledged Funds" means, collectively, all funds and accounts created under the Prior Financing Documents.

"Prior Pledged Revenues" means amounts required to be deposited in the "Consolidated Educational Buildings Project Revenue Fund" created by the Prior Basic Resolution and in the "1966 Revenue Fund Account" created by the Prior Housing Indenture.

"Project Fund" means the Project Fund created in Section 4.05 of this Trust Agreement.

"Purchase Price" means, as to any series of Obligations, the amount provided for in the Series Resolution and the Certificate of Award authorized thereby, plus accrued interest, if any, on the aggregate principal amount of those Obligations from their date to the date of their delivery to the Original Purchaser and payment therefor.

"Rating Service" means Fitch, Moody's, S&P or any other nationally recognized rating service.

"Redemption and Purchase Account" means the Redemption and Purchase Account authorized and created pursuant to Section 4.04 of this Trust Agreement.

"Register" means the books kept and maintained by the Registrar for the registration and transfer of Obligations pursuant to this Trust Agreement.

"Registrar" means, with respect to a series of Obligations, the keeper of the Register for those Obligations, which shall be the Trustee except as may be otherwise provided by or pursuant to the Series Resolution for those Obligations, each of which shall be a transfer agent registered in accordance with Section 17(A)(c) of the Securities Exchange Act of 1934.

"Regular Record Date" means, with respect to any Obligation and unless otherwise provided in the Series Resolution authorizing the particular series of Obligations, the fifteenth day of the calendar month next preceding an Interest Payment Date applicable to that Obligation.

"Reimbursement Agreement" means, with respect to a series of Obligations, any agreement or agreements between one or more Credit Support Providers and the University under or pursuant to which a Credit Support Instrument for such series of Obligations is issued or provided and which sets forth the respective obligations of the University and of the Credit Support Provider.

"Remarketing Agent" means any entity which acts as the remarketing agent with respect to a series of Obligations.

"Revenue Fund" means the Revenue Fund authorized and created in Section 4.16 of this Trust Agreement.

"S&P" means Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies, and its successors and assigns.

"Series Resolution" means a Resolution of the Board authorizing one or more series of Obligations and the execution and delivery of a Supplemental Trust Agreement, all in accordance with the 2007 General Bond Resolution and this Trust Agreement.

"SPBC" means the State Property and Buildings Commission of the Commonwealth and any successor thereto.

"SPBC Lease" means a lease between the University and SPBC or the applicable state agency as then provided by law. The definition of SPBC Lease does not include "Bond" or "Bonds," "Note" or "Notes" or Additional Obligation Instruments, but may also mean a Financing Agreement.

"Special Funds" means the Debt Service Fund and accounts therein and any other funds or accounts permitted by, established under, or identified in this Trust Agreement or a Series Resolution and designated as Special Funds. The Revenue Fund shall not be a Special Fund.

"Student Registration Fees" means operating revenues having the designation "student tuition and fees" in the Financial Statements or any successor designation or designations for such receipts that may hereafter be used in Financial Statements.

"Subordinated Indebtedness" means obligations which, with respect to any issue thereof, are secured by a pledge of the General Receipts which is subordinate to that of the holders of Obligations and which are evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such obligations.

"Supplemental Trust Agreement" means any one or more of Supplemental Trust Agreements entered into by the parties pursuant to this Trust Agreement and a Series Resolution.

"Tender Agent" means any entity which acts as a tender agent for a series of Obligations.

"Trust Agreement" means this Trust Agreement, dated as of July 1, 2007, between the University and the Trustee, as the same may be duly amended, modified or supplemented in accordance with its terms.

"Trustee" means the Trustee at the time serving under this Trust Agreement, originally U.S. Bank National Association and any successor Trustee as determined or designated under or pursuant to this Trust Agreement.

"2007 General Bond Resolution" means the resolution of the Board adopted on June 15, 2007, authorizing the execution and delivery of this Trust Agreement.

"University" means Morehead State University, a public body corporate, and an educational institution and agency of the Commonwealth of Kentucky, and every part and component thereof as from time to time existing, and when the context requires, includes the Board.

"University Facilities" means buildings and appurtenances to be used in connection with the University for educational purposes, including, but not limited to any Authorized Project, any

Building, any Building project and any Public project, as those terms are defined in the Act, and further includes any one, part of, or any combination of such facilities, and further includes site improvements, utilities, machinery, furnishings and any separate or connected buildings, structures, improvements, sites, open space and green space areas, utilities or equipment to be used in, or in connection with the operation or maintenance of, or supplementing or otherwise related to the services or facilities to be provided by such facilities.

Any reference herein to the University, the Board, or to any officers or to other public boards, commissions, departments, institutions, agencies, bodies, entities or officers, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference to a section or provision of the Kentucky Revised Statutes or to the laws of Kentucky shall include such section or provision and such laws as from time to time amended, modified, revised, supplemented, or superseded, provided that no such amendment, modification, revision, supplementation, or super session shall alter the obligation to pay the Debt Service Charges in the amount and manner, at the times, and from the sources provided in this Resolution, the applicable Series Resolution, and this Trust Agreement, except as otherwise herein permitted.

Section 1.02. Construction of References. References by number in this Trust Agreement to any Article or Section shall be construed as referring to the Articles and Sections contained in this Trust Agreement, unless otherwise stated. The words "hereby", "hereof", and "hereunder" and any compounds thereof shall be construed as referring to this Trust Agreement generally, and not merely to the particular Article, Section or subdivision in which they occur, unless otherwise required by the context.

Section 1.03. Accounting Principles. Where the character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation is required to be made for the purposes of this Trust Agreement or any agreement, document or certification executed and delivered in connection with or pursuant to this Trust Agreement, this shall be done in accordance with generally accepted accounting principles at the time in effect; to the extent applicable, except where such principles are inconsistent with the requirements of this Trust Agreement or such agreement, document or certificate. As applied to any entity that operates a discrete enterprise of a type with respect to which particular accounting principles shall, from time to time, have been generally adapted or modified, the term "generally accepted accounting principles" shall include such adaptations or modifications.

Section 1.04. Headings. Any heading preceding the text of the several articles and sections hereof, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience or reference and shall not constitute a part of this Trust Agreement nor shall they affect its meaning, construction or effect.

END OF ARTICLE I

ARTICLE II

ISSUANCE OF OBLIGATIONS; FORM, EXECUTION, AUTHENTICATION, REGISTRATION AND EXCHANGE OF OBLIGATIONS

Section 2.01. Conditions for Issuing Obligations.

(a) Except as otherwise permitted by subsection (b) of this Section 2.01, and subject to the limitations set forth in Section 4.18 hereof for Housing Bonds, no Obligations shall be initially issued unless at the time of authentication of those Obligations no Event of Default exists with respect to any covenants or obligations of the University contained in this Trust Agreement or in the Obligations, and the authentication and delivery of those Obligations will not result in any such Event of Default.

(b) Nothing contained in this Trust Agreement shall prohibit the University from (i) issuing other indebtedness secured by and payable from the General Receipts, provided that such other indebtedness constitutes Subordinated Indebtedness, and (ii) issuing other indebtedness payable from, but not secured by the General Receipts.

Section 2.02. Delivery of Obligations. Before any series of Obligations shall be authenticated, if applicable, and delivered by the Trustee, there shall be filed with the Trustee:

1. A copy, duly certified by the Secretary of the Board or a Fiscal Officer, of the Series Resolution providing for the issuance and sale of the series of Obligations, which Series Resolution shall make provision, in a manner consistent with the 2007 General Bond Resolution and this Trust Agreement, for the following with respect to the series of Obligations authorized therein:

(a) The purpose for which the Obligations are issued;

(b) The authorized or maximum authorized principal amount of the Obligations;

(c) The issue date or dates of the Obligations;

(d) The form of the Obligations, which may be any form then permitted by law, including, without limitation, physical certificates in fully registered form registered in the name of the Holder; Book Entry Form; and certificates with or without coupons evidencing installments of interest;

(e) The interest rate or rates for the Obligations or the method of determining the rate or rates, which may be any method then permitted by law, including without limitation, fixed or variable interest rates with or without provision for conversion to other fixed or variable rates, and accretion of interest payable at maturity in lieu of current interest payments;

(f) The principal maturities, provided that for any Housing Bonds, each maturity date shall be a November 1 until no bonds are outstanding under the Prior Housing Indenture, and Interest Payment Dates;

(g) The series designation or manner in which the series designation is determined, authorized denominations and manner of numbering;

(h) The redemption provisions, including any premium to be paid upon redemption, if any;

(i) The Mandatory Sinking Fund requirements, if any;

(j) The Paying Agents, if other than the Trustee, if any;

(k) The manner of or provision for sale;

(l) The disposition of the proceeds of sale;

(m) The creation, funding and application of any Special Funds particularly applicable to that series of Obligations;

(n) The provision for the acquisition of a Credit Support Instrument and/or Hedge Agreement, if applicable;

(o) The authorization of a Supplemental Trust Agreement (if the Obligations which are to be authenticated are Bonds or Notes) and other agreements relating to that series of Obligations; and

(p) Any other provisions considered advisable by the Board which are consistent with or required by the Act, the 2007 General Bond Resolution and this Trust Agreement.

Each Series Resolution shall state that it is adopted pursuant to the 2007 General Bond Resolution and this Trust Agreement. The Series Resolution may provide that any of the foregoing items may be included in a Certificate of Award authorized by the Series Resolution, which Certificate of Award shall be considered part of the Series Resolution for all purposes of this Trust Agreement. Notwithstanding the foregoing, Financing Agreements and SPBC Leases may be approved in the form prescribed by ALCo or SPBC, as applicable.

2. Original executed counterparts of a supplement to this Trust Agreement (if the Obligations which are to be delivered are Bonds or Notes or, if appropriate, Additional Obligation Instruments) and the instruments, if any, governing the terms of such series of Obligations.

3. The written opinion or opinions of counsel for the University, or other counsel satisfactory to the Trustee, to the effect that the documents submitted to the Trustee in connection with the request then being made comply with the requirements of this Trust Agreement, that the issuance of such Obligations has been duly authorized, that the Obligations and the supplements to this Trust Agreement, if any, are valid and binding in accordance with their terms, and that in the opinion of such counsel all conditions precedent to the delivery of such Obligations have been fulfilled.

4. A certificate of the Fiscal Officer that no Event of Default has occurred and is continuing hereunder and that the other conditions to the issuance of the Obligations have been met.

When the foregoing documents and any other documents required by the Series Resolution or the Original Purchaser of such Obligations have been duly furnished to it, the Trustee shall thereupon, if applicable, authenticate the Obligations. When the Obligations have been executed and, if applicable, authenticated, the Trustee shall deliver them to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the purchase price set forth in the request and authorization to authenticate and deliver executed on behalf of the University.

The proceeds of the sale of the Obligations shall be applied as provided in the Series Resolution authorizing such Obligations or in the Certificate of Award.

Section 2.03. General Terms and Provisions of Obligations. The Bonds of each series shall be substantially in the form or forms provided for or set forth in the Supplemental Trust Agreement entered into in connection with the issuance of that series of Obligations. The Notes of such series shall be substantially in the form or forms customarily used by the University. Financing Agreements and SPBC Leases shall be substantially in the form or forms prescribed by ALCo and SPBC, respectively. Additional Obligation instruments shall be in an appropriate form or forms not inconsistent with the provisions of this Trust Agreement. All Bonds or Notes shall be designated "Morehead State University General Receipts" Bonds or Notes, as the case may be. The Obligations of one series shall bear any designations which may be necessary or advisable to distinguish them from Obligations of any other series. The Bonds and Notes (and, if applicable, Additional Obligation Instruments) shall be negotiable instruments in accordance with the Act, and shall express the purpose for which they are issued and any other statements or legends which may be required by law.

All Obligations, other that Financing Agreements and SPBC Leases, unless a Supplemental Trust Agreement shall have been executed and delivered pursuant to Section 7.01(h) hereof, shall be in fully registered form and, except as provided in Section 2.05 hereof, the Holder of an Obligation shall be regarded as the absolute owner thereof for all purposes of this Trust Agreement.

Section 2.04. Execution and Authentication of Obligations. Unless otherwise provided in the applicable Series Resolution or Supplemental Trust Agreement, each Obligation shall be signed on behalf of the University by Chairman of the Board or the Chairman's designee. In case any Fiscal Officer, member of the Board or other authorized officer of the University whose signature or a facsimile of whose signature shall appear on any Obligation shall cease to be a Fiscal Officer, that member or that officer before the issuance of the Obligation, his or her signature or the facsimile thereof nevertheless shall be valid and sufficient for all purposes, the same as if he or she had remained a member of the Board or in office until that time.

No Bond or Note shall be valid or become obligatory for any purpose or shall be entitled to any security or benefit under this Trust Agreement unless and until a certificate of authentication, substantially in the form set forth below, shall have been signed by the Trustee or by any Authenticating Agent for that series on behalf of the Trustee. Such authentication by the Trustee or by an Authenticating Agent upon any Bond or Note shall be conclusive evidence that the Bond or Note so authenticated has been duly authenticated and delivered hereunder and is

entitled to the security and benefit of this Trust Agreement. Such certificate of the Trustee or an Authenticating Agent may be executed by any Person duly authorized by the Trustee, but it shall not be necessary that the same authorized Person sign the certificates on all of the Bonds or Notes of a series. The authentication certificate shall be in substantially the following form:

"This Series ___ [Bond][Note] is one of the Series ___ [Bonds][Notes] issued under the provisions of the within mentioned Trust Agreement and the ____ Supplemental Trust Agreement."

Section 2.05. Payment and Ownership of Obligations.

(a) Debt Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee or any Paying Agent. Subject to the provisions of paragraph (b) of this Section and Section 2.09 of this Trust Agreement, (i) the principal of and any premium on any Bond, the principal of and interest on any Note and interest on any Capital Appreciation Bond, shall be payable when due to a Holder upon presentation and surrender of such Bond or Note at the principal corporate trust office of the Trustee or at the office, designated by the Trustee, of any Paying Agent, (ii) interest on any Bond, other than a Capital Appreciation Bond, shall be paid on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed on that date to the Person in whose name the Obligation (or one or more Predecessor Obligations) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein and (iii) amounts due under any Financing Agreement, SPBC Lease and Additional Obligation Instrument shall be payable in accordance with the respective terms thereof. If and to the extent, however, that the University shall fail to make payment or provision for payment of interest on any Obligation, other than a Capital Appreciation Bond, on any Interest Payment Date, that interest shall cease to be payable to the Holder of that Obligation (or of one or more Predecessor Obligations) as of the applicable Interest Payment Date. Except as provided in paragraph (b) of this Section, when moneys become available for payment of the interest on such Obligation, (x) the Trustee shall, pursuant to Section 6.06(d) hereof, establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (y) the Trustee shall cause notice of the proposed Payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to the Holder of such Obligation at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to such Holder at the close of business on the Special Record Date.

(b) In the event that a Person other than the University should pay to the Trustee or to a Holder, pursuant to an agreement with the University, an amount of money to be used to pay directly or indirectly to the Holders of the Obligations an amount equal to Debt Service Charges then payable and such agreement contemplates that in exchange for such payment such Person will acquire from the Holder its rights to the payment of the amount of Debt Service Charges then due, then such Person upon such payment shall become the owner of the Debt Service Charges contemplated to be acquired by such payment notwithstanding any other provision of this Trust Agreement. The Trustee shall pay any money received by it from such Person to the Holders as if it were the payment of the Debt Service Charges then due, and the Trustee or the Holder, whichever shall first receive such, payment shall deliver to such Person (i) in the case of

interest on the Obligations, other than a Capital Appreciation Bond, an acknowledgment of such Person's ownership of interest to be paid on the Obligations specifying the amount of interest owned, the period represented by such interest and the numbers, if any, of the Obligations on which such interest is owed and (ii) in the case of principal of or premium on the Obligations, and interest on any Capital Appreciation Bond, either the Obligations themselves assigned to such Person or new Obligations in exchange for such Predecessor Obligations naming such Person as the Holder. Whenever moneys become available for the payment of interest then overdue, the Person to whom an acknowledgment as above has been delivered shall be treated as to the interest which is the subject of the acknowledgment as if such Person had been the Holder of the Obligations on which such interest is payable on the Special Record Date.

Subject to the foregoing, each Obligation delivered under this Trust Agreement upon transfer thereof, or in exchange for or in replacement of any other Obligation, shall carry the rights to interest accrued and unpaid, and to accrue on that Obligation, or which were carried by that Obligation.

Except as provided in this Section 2.05, (i) the Holder of any Obligation shall be deemed and regarded as the absolute owner thereof for all purposes of this Trust Agreement, (ii) payment of or on account of the Debt Service Charges on any Obligation shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner permitted by this Trust Agreement and (iii) neither the University, the Trustee, the Registrar nor any Paying Agent or Authenticating Agent shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Obligation, including without limitation the interest thereon, to the extent of the amount or amounts so paid.

Any Series Resolution may provide that such series of Obligations may be originally issued only to a Depository to be held in a Book Entry System and that: (a) the Obligations shall be registered in the name of the Depository or its nominee, as Holder, and immobilized in the custody of the Depository; (b) unless otherwise requested by the Depository, there shall be a single Obligation certificate for each Obligation maturity; and (c) the Obligations shall not be transferable or exchangeable, except for transfer to another Depository or another nominee of a Depository, without further action by the University as set forth in the next succeeding paragraph of this Section. While the Obligations are in book entry only form, Obligations in the form of physical certificates shall only be delivered to the Depository or its agent.

So long as a Book Entry System is in effect for a series of Obligations, except as hereinafter provided with respect to Beneficial Ownership Interests, the University and Trustee shall recognize and treat the Depository, or its nominee, as the Holder of the Obligations for all purposes, including payment of Debt Service Charges, giving of notices and enforcement of remedies. The crediting of payments of Debt Service Charges on the Obligations and the transmittal of notices and other communications by the Depository to the Direct Participants in whose Depository account the Obligations are recorded, and such crediting and transmittal by Direct Participants to Indirect Participants or Beneficial Owners and by Indirect Participants to Beneficial Owners, are the respective responsibilities of the Depository and the Direct Participants and Indirect Participants and are not the responsibility of the University or the Trustee; provided, however, that the University and the Trustee understand that neither the Depository or its nominee shall provide any consent requested of Holders of Obligations pursuant to this Trust Agreement, and that the Depository will mail an omnibus proxy (including

a list identifying the Direct Participants) to the University which assigns the Depository's, or its nominee's, voting rights to the Direct Participants to whose accounts at the Depository the Obligations are credited as of the record date for mailing of requests for such consents. Upon receipt of such omnibus proxy, the University shall promptly provide such omnibus proxy (including the list identifying the Direct Participants attached thereto) to the Trustee, who shall then treat such Direct Participants as Holders of the Obligations for purposes of obtaining any consents pursuant to the terms of this Trust Agreement.

As long as the Obligations are registered in the name of a Depository, or its nominee, the Trustee agrees to comply with the terms and provisions of the Letter of Representations, including the provisions of the Letter of Representations with respect to any delivery of the Obligations to the Trustee, which provisions shall supersede the provisions of this Trust Agreement with respect thereto.

If any Depository determines not to continue to act as a Depository for the Obligations held in a Book Entry System, the University may attempt to have established a securities depository/Book Entry System relationship with another Depository under this Trust Agreement. If the University does not or is unable to do so, the University and the Trustee, after the Trustee has made provision for notification of the Beneficial Owners by appropriate notice to the then Depository, shall permit withdrawal of the Obligations from the Depository and shall authenticate, if applicable, and deliver Obligations certificates in fully registered form to the assignees of the Depository or its nominee or to the Beneficial Owners. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Obligations) of the University.

Section 2.06. Transfer and Exchange of Obligations. So long as any of the Obligations remain Outstanding, the Trustee will cause books for the registration and transfer of Obligations required to be registered, as provided in this Trust Agreement, to be maintained and kept at the designated office of the Registrar.

Unless otherwise provided in the applicable Series Resolution or Supplemental Trust Agreement, Obligations may be exchanged, at the option of their Holder, for Obligations of the same series and of any authorized denomination in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Obligations being exchanged. The exchange shall be made upon presentation and surrender of the Obligations being exchanged at the designated office of the Registrar or at the designated office of any Authenticating Agent for that series of Obligations, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar or the Authenticating Agent, as the case may be.

Any Obligation that is registered may be transferred in the Register, upon presentation and surrender thereof at the designated office of the Registrar or the designated office of any Authenticating Agent for the series thereof, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar or the Authenticating Agent, as the case may be. Upon transfer of any such Obligation and on request of the Registrar or the Authenticating Agent, the University shall execute in the name of the transferee, and the Registrar or the Authenticating Agent, as the case may be, shall authenticate, if applicable, and deliver, a new Obligation or Obligations of the same series, of any authorized denomination in an aggregate principal amount equal to the unmatured and

unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Obligations presented and surrendered for transfer.

In all cases in which Obligations shall be exchanged or transferred hereunder, the University shall execute and, if applicable, the Registrar or any Authenticating Agent, as the case may be, shall authenticate, if applicable, and deliver Obligations in accordance with the provisions of this Trust Agreement. The exchange or transfer shall be made without charge; provided that the University and the Registrar or the Authenticating Agent, as the case may be, may make a charge for every exchange or transfer of Obligations, sufficient to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid before a new Obligation is delivered.

All Obligations issued upon any transfer or exchange of Obligations shall be the valid obligations of the University, evidencing the same debt and entitled to the same benefits under this Trust Agreement as the Obligations surrendered upon transfer or exchange. Neither the University, the Trustee, the Registrar nor any Authenticating Agent, as the case may be, shall be required to make any exchange or transfer of any Obligation of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Obligations of that series and ending at the close of business on the day of such mailing or to transfer or exchange any such Obligations of that series selected for redemption, in whole or in part, within 90 days following such mailing.

In case any Obligation is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Obligation, the University, subject to the provisions of Section 2.08 hereof, shall cause execution of, and the Registrar or any Authenticating Agent for the series of that Obligation shall authenticate, if applicable, and deliver, a new Obligation or Obligations of the same series in authorized denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Obligation redeemed in part.

The designated office of the Registrar and the Authenticating Agent for purposes of this Section shall be established by the Trustee.

Section 2.07. Mutilated, Lost, Wrongfully Taken or Destroyed Obligations. If any Obligation is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the University or the Registrar that a lost, wrongfully taken or destroyed Obligation has been acquired by a bona fide purchaser, the University shall execute, and the Registrar shall authenticate, if applicable, and deliver, a new Obligation of like date, maturity and denomination and of the same series as the Obligation mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Obligation, the mutilated Obligation first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Obligation, there first shall be furnished to the University, the Trustee and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the Fiscal Officer, the Trustee and the Registrar, together with indemnity satisfactory to them and to the University.

If any lost, wrongfully taken or destroyed Obligation shall have matured, instead of issuing a new Obligation, a Fiscal Officer may direct the Trustee to pay that Obligation without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Obligation. The University, the Registrar and the Trustee may charge the

Holder of a mutilated, lost, wrongfully taken or destroyed Obligation their customary fees and reasonable expenses in connection with their actions pursuant to this Section.

Every new Obligation issued pursuant to this Section by reason of any Obligation being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the Outstanding principal amount of the Obligation lost, mutilated, taken or destroyed, an additional contractual obligation of the University, regardless of whether the mutilated, lost, wrongfully taken or destroyed Obligation shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Trust Agreement equally and proportionately with any and all other Obligations issued and Outstanding hereunder.

All Obligations shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Obligations and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Section 2.08. Safekeeping and Cancellation of Obligations. Any Obligation surrendered pursuant to this Article for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be canceled upon presentation and surrender thereof to the Registrar, the Trustee or any Paying Agent or Authenticating Agent; provided that, any Obligation surrendered for prior redemption may be deemed purchased by the University, not cancelled, and remain Outstanding. Any Obligation canceled by the Trustee or a Paying Agent or Authenticating Agent shall be transmitted promptly to the Registrar by the Trustee, Paying Agent or Authenticating Agent.

The University may deliver at any time to the Registrar for cancellation any Obligations previously delivered hereunder which the University may have acquired in any manner whatsoever. All Obligations so delivered shall be canceled promptly by the Registrar. Certification of the surrender and cancellation of Obligations shall be made to the University and the Trustee by the Registrar at least once each calendar year. Unless otherwise directed by the University, canceled Obligations shall be retained and stored by the Registrar for a period of four years after their cancellation. Those canceled Obligations shall be destroyed by the Registrar by shredding or incineration seven years after their cancellation or at any earlier time directed by the University. Certificates of any destruction of canceled Obligations (describing the manner thereof) shall be provided by the Registrar to the University and the Trustee.

Section 2.09. Payment by Wire Transfer Upon Direction by Certain Holders. Notwithstanding any provision of this Trust Agreement or of any Obligation to the contrary, the Trustee shall upon the written direction of any Holder as of the applicable Regular Record Date or Special Record Date, as the case may be, of an Obligation or Obligations in the minimum aggregate principal amount of $1,000,000 make all payments to that Holder of interest on the Obligation or Obligations or any part thereof by wire transfer of federal funds to an account in a bank or trust company organized under the laws of Canada or the United States of America or any state or province thereof designated by such Holder. Any payment of interest Pursuant to such wire transfer shall constitute payment thereof pursuant to, and for all purposes of, this Trust

Agreement. Such payment by wire transfer shall be at the expense of the Holder or of the University, as the University may, in each case, elect.

END OF ARTICLE II

ARTICLE III

REDEMPTION OF OBLIGATIONS

Section 3.01. Privilege of Redemption and Redemption Price. The Obligations shall be subject to redemption prior to maturity at such times, to the extent and in the manner provided in the applicable Series Resolution and Certificate of Award, all subject to this Trust Agreement.

Section 3.02. University's Election to Redeem. Except in the case of redemption pursuant to any Mandatory Sinking Fund Requirements or pursuant to other mandatory redemption provisions provided in a Series Resolution or a Certificate of Award, Obligations shall be redeemed only by written notice from the University to the Trustee of its election to redeem in accordance with the applicable Series Resolution or the Certificate of Award. The notice shall specify the places where the amounts due upon such redemption are payable, the redemption date and the principal amount of each maturity of each series of redeemable Obligations to be redeemed and shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given to the Holders as provided in Section 3.03 hereof, the University shall, and hereby covenants that it will, prior to the redemption date pay to the Trustee for deposit in the appropriate account in the Debt Service Fund an amount in cash which, in addition to other moneys, if any, available therefor and held by the Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the redeemable Obligations which the University has so elected to redeem, less an amount equal to one hundred percent (100%) of the principal amount of Obligations described in the next following paragraph.

The University shall have the option to deliver to the Registrar for cancellation Obligations subject to redemption in any aggregate principal amount and to receive a credit against the Mandatory Sinking Fund Requirements (and corresponding mandatory redemption obligation) of any such Obligations. That option shall be exercised by the University, on or before the 45th day preceding the applicable mandatory sinking fund redemption date, by furnishing the Trustee a certificate, executed by the Fiscal Officer, setting forth the extent of the credit to be applied with respect to the subject Mandatory Sinking Fund Requirements, and the Obligations to be so credited. If the certificate and the Obligations to be credited are not timely furnished to the Trustee, the Mandatory Sinking Fund Requirement (and corresponding mandatory redemption obligation) shall not be reduced. Credit against the then current Mandatory Sinking Fund Requirements (and corresponding mandatory redemption obligation) also shall be received by the University for any Obligations which prior thereto have been redeemed (other than through the operation of the Mandatory Sinking Fund Requirements) or purchased for cancellation and canceled by the Trustee, to the extent not applied theretofore as a credit against any redemption obligation.

Section 3.03. Notice of Redemption. When the Trustee receives notice from the University of its election to redeem Obligations, or in order to carry out any Mandatory Sinking Fund Requirements or other mandatory redemption provisions of any Series Resolution or Certificate of Award, the Trustee shall give notice of call for redemption, which notice shall identify (i) by designation, letters, numbers or other distinguishing marks, the Obligations or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Trustee on behalf of the University by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for

redemption (or such shorter period as shall be acceptable to a Holder) to the Holder of each Obligation subject to redemption in whole or in part at the Holder's address shown on the Register on the fifteenth day preceding that mailing date; provided, that failure to receive notice by mailing, or any defect in that notice, as to any Obligation shall not affect the validity of the proceedings for the redemption of any Obligation.

Notice of any redemption hereunder with respect to Obligations held under a Book Entry System shall be given by the Registrar or the Trustee only to the Depository, or its nominee, as the Holder of such Obligations. Selection of book entry interests in the Obligations called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant or Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Obligations.

Section 3.04. Payment of Redeemed Obligations. Notice having been given in the manner provided in Section 3.03 hereof, the Obligations and portions thereof so called for redemption shall become due and payable on the redemption date at the redemption price, and, upon presentation and surrender thereof at the place or places specified in such notice, shall be paid at the redemption price.

If moneys for the redemption of all of the Obligations and portions thereof to be redeemed, together with interest accrued thereon to the redemption date, are held by the Trustee or any Paying Agent on the redemption date so as to be available therefor on that date and if notice of redemption shall have been deposited in the mail as aforesaid, then from and after the redemption date those Obligations and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding hereunder.

If those moneys shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Obligations and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

Subject to Section 4.04 of this Trust Agreement, all moneys deposited in the Debt Service Fund and held by the Trustee or Paying Agents for the redemption of particular Obligations shall be held in trust for the account of the Holders thereof and shall be paid to them respectively upon presentation and surrender of such Obligations.

Section 3.05. Partial Redemption. If fewer than all of the Outstanding Obligations of a series that are stated to mature on different dates are called for redemption at one time, those Obligations which are called shall be called in such order as the University shall determine without regard to order of the maturities or the numbering of the Obligations of that series to be redeemed. If fewer than all of the Obligations of a single maturity are to be redeemed, the selection of Obligations to be redeemed, or portions thereof, shall be made by lot by the Trustee in any manner which the Trustee may determine. In the case of a partial redemption of Obligations by lot when Obligations of denominations greater than the minimum authorized denomination are then Outstanding, each minimum authorized denomination thereof shall be treated as though it were a separate Obligation of the minimum authorized denomination. If it is determined that one or more, but not all of the minimum authorized denominations represented by an Obligation are to be called for redemption, then upon notice of redemption of an authorized denomination, the Holder of the Obligation shall surrender the Obligation to the Trustee (a) for payment of the redemption price of such authorized denomination or face value

called for redemption (including without limitation the interest accrued to the date fixed for redemption and any premium) and (b) for issuance, without charge to the Holder thereof, of a new Obligation or Obligations of the same series, in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Obligation surrendered.

Section 3.06. Variation of Redemption Provisions. The provisions of this Article III, insofar as they apply to issuance of any series of Obligations, may be varied by the Supplemental Trust Agreement providing for that series.

END OF ARTICLE III

ARTICLE IV

FUNDS AND ADDITIONAL COVENANTS OF THE UNIVERSITY

Section 4.01. Debt Service Fund and Other Special Funds. There are hereby created and ordered maintained as a separate trust fund in the custody of the Trustee a fund designated the "Morehead State University General Receipts Obligations Debt Service Fund." The Trustee shall hold and administer the Debt Service Fund and any other Special Fund created under this Trust Agreement, together with the accounts contained therein, upon the terms and conditions, including, without limitation, the terms and conditions set forth in this Trust Agreement and the applicable Series Resolution and/or Supplemental Trust Agreement for the investment of moneys deposited in such Funds, set forth in the applicable Series Resolution and this Trust Agreement.

There are hereby created by the University and there shall be maintained in the Debt Service Fund the following Accounts: the Debt Service Payment Account, the Debt Service Reserve Account and the Redemption and Purchase Account. The Trustee shall create and maintain a separate subaccount within the Debt Service Payment Account for each series of Obligations and each separate subaccount shall secure only the particular series of Obligations to which it is related.

Section 4.02. Use of Debt Service Payment Account; Intercept. The Debt Service Payment Account shall be used solely for the payment of Debt Service Charges as they fall due. Payments sufficient in an amount to pay the Debt Service Charges as they become due shall be paid by the University directly to the Trustee, at least ten days prior to the date such Debt Service Charges are payable, and deposited in the Debt Service Payment Account to the extent moneys in the Debt Service Payment Account are not otherwise available therefore; provided that the requirement to pay ten days in advance may be waived (i) by the Credit Support Provider or Hedge Provider, as applicable, with respect to a series of Obligations to which a Credit Support Instrument or Hedge Agreement, respectively, applies or (ii) if each Rating Service then rating any Obligations confirms in writing to the University that such waiver would not cause a reduction or withdrawal of the then current rating on any Outstanding Obligations. Upon the occurrence and during the continuation of an Event of Default described in Section 6.01(a) hereof with respect to a specific series of Obligations, if a subaccount in the Debt Service Reserve Account has been created to secure such series of Obligations, moneys in the applicable subaccount of the Debt Service Reserve Account may be transferred by the Trustee to the Debt Service Payment Account to be used to pay Debt Service Charges with respect to such series of Obligations pursuant to the provisions of Section 4.03 hereof. Except as provided in Section 4.09 hereof, moneys in the Debt Service Payment Account shall be used solely for the payment of Debt Service Charges on the Obligations, for the redemption of Obligations prior to maturity, for the payment of any amounts due to a Credit Support Provider to the extent as set forth in a Credit Support Instrument, for the payment of any amounts due to a Hedge Provider to the extent as set forth in an Interest Rate Hedge Agreement and as otherwise provided in this Trust Agreement and the 2007 General Bond Resolution.

If, ten days prior to any date that the payment of Debt Service Charges are due, sufficient funds are not on deposit in the Debt Service Payment Account to enable the Trustee to pay such Debt Service Charges, or if the Trustee shall have transferred funds from a Debt Service Reserve Account to the Debt Service Payment Account to forestall a default in the payment of Debt Service Charges, then in each such instance the Trustee shall immediately notify the Fiscal Officer of the University and the Secretary of the Finance and Administration Cabinet of the

Commonwealth in writing of such event and request that amounts be remitted to the Trustee pursuant to the then applicable provisions of Section 164A.608 of the Kentucky Revised Statutes to cure such deficiency or to restore the amount transferred from the Debt Service Reserve Account.

Section 4.03. Debt Service Reserve Account. There shall be created and maintained a Debt Service Reserve Account to be used, as herein provided, solely for the payment of Debt Service Charges with respect any series of Obligations for which a reserve fund has been mandated pursuant to the Series Resolution which authorized the issuance of such series of Obligations. A separate subaccount shall be created in the Debt Service Reserve Account for each series of Obligations for which a reserve fund has been mandated by the Series Resolution which authorized such series of Obligations and each separate subaccount shall secure only the particular series of Obligations to which it is related.

If, on the date upon which Debt Service Charges on any Obligations which are secured by a Debt Service Reserve Account or subaccount held by the Trustee fall due, the subaccount within the Debt Service Payment Account related to such Obligations is insufficient to meet such Debt Service Charges to be paid therefrom on such date, the Trustee, without necessity for any order by the University, shall immediately transfer from the appropriate subaccount of the Debt Service Reserve Account an amount sufficient to make up such deficiency in the subaccount of the Debt Service Payment Account. Except as may be provided in the applicable Series Resolution or Supplemental Trust Agreement, if on the day upon which amounts are due to a Hedge Provider under an Interest Rate Hedge Agreement or are due to a Credit Support Provider in reimbursement for amounts provided under a Credit Support Instrument, the amount in the subaccount within the Debt Service Payment Account related to such Debt Service Charges (other than from any amounts provided under an Interest Rate Hedge Agreement or Credit Support Instrument) is insufficient to pay such amounts to such Hedge Provider or Credit Support Provider on that date, the Trustee, without necessity for any further order of the University or officer thereof, shall make available for such reimbursement any amounts in the related subaccount of the Debt Service Reserve Account for the series of Obligations to which the Interest Rate Hedge Agreement or Credit Support Instrument applies that are necessary to make up that insufficiency. The amount so transferred shall be applied only to the payment of Debt Service Charges on the Obligations to which that Debt Service Reserve Account pertains or for the payment of any amounts due to a Hedge Provider under an Interest Rate Hedge Agreement or to a Credit Support Provider as reimbursement of draws under a Credit Support Instrument in connection with the Obligations to which that Debt Service Reserve Account pertains.

Subject to the foregoing, any amount in a subaccount of the Debt Service Reserve Account in excess of the amount required to be maintained therein pursuant to the Series Resolution which created such subaccount or the Certificate of Award (the "Required Amount") shall be transferred to the Debt Service Payment Account or to the Redemption and Purchase Account for the purposes thereof, if and to the extent ordered by the Fiscal Officer. Such excess shall be determined by calculating the Required Amount with reference to Outstanding Obligations of the particular series only, excluding any Obligations for the redemption or purchase of which such excess is being transferred to the Redemption and Purchase Account.

Within one hundred eighty (180) days after the end of each Fiscal Year, the University shall, from General Receipts, restore to the various subaccounts within the Debt Service Reserve Account any amounts transferred therefrom or any decrease in value determined pursuant to

Section 4.14 hereof in such Fiscal Year so that the amounts in such subaccounts are at least equal to the various Required Amounts.

Section 4.04. Redemption and Purchase Account. There shall be deposited in the Redemption and Purchase Account that portion (if any) of the proceeds of refunding Obligations, as provided in the Series Resolution authorizing their issuance, allocated to the payment of the principal, interest and redemption premium, if any, or purchase price of the Obligations to be refunded, funded or retired through the issuance of such refunding Obligations; amounts to be transferred thereto from the Debt Service Reserve Account by order of the Fiscal Officer pursuant to Section 4.03; and any other amounts made available by the University for the purposes of the Redemption and Purchase Account. Amounts for the redemption of Obligations to be provided pursuant to the mandatory sinking fund requirements of the Series Resolution authorizing such Obligations shall not be deposited to the credit of the Redemption and Purchase Account, but shall be deposited to the credit of the Debt Service Payment Account.

Any amounts in the Redemption and Purchase Account may be committed, by Series Resolution or other action by the Board, for the retirement of and for Debt Service Charges on specified Obligations and, so long as so committed, shall be used solely for such purposes whether directly or through transfer to the Debt Service Fund. Subject to the foregoing provisions of this Section, the Fiscal Officer may cause moneys in the Redemption and Purchase Account to be used to purchase any Obligations for cancellation and to redeem any Obligations in accordance with the redemption provisions of the applicable Series Resolution. From moneys in the Redemption and Purchase Account, the Trustee shall transmit or otherwise disburse such amounts at such times as required for the redemption or purchase for cancellation of Obligations, and Debt Service Charges, in accordance with the applicable Series Resolution, or other action by the Board or order of the Fiscal Officer not inconsistent therewith. Any amounts in the Redemption and Purchase Account not required for the purposes thereof pursuant to a commitment theretofore made, may be transferred to the Debt Service Payment Account or the Debt Service Reserve Account upon order of the Fiscal Officer.

Section 4.05. Project Fund. Upon the issuance and delivery of Obligations, the proceeds of which will be used to pay Costs of University Facilities, there shall be created and ordered maintained in the Treasury of the Commonwealth, a fund designated the "Morehead State University Project Fund" with an additional series identification for each series of Obligations.

Amounts in a Project Fund shall be disbursed therefrom by the Treasurer of the Commonwealth according to such inspection, audit, and disbursement procedures as may from time to time be provided by law, for the purpose of paying Costs of University Facilities as identified in the related Series Resolution or Supplemental Trust Agreement and to reimburse the University for any payments which may have been made from other available resources in anticipation of the issuance of such Obligations.

Any balance remaining in a Project Fund after the final payment of all Costs of University Facilities for which such Project Fund was created, shall be deposited in the Debt Service Fund and (i) credited to the related subaccount, if any, within the Debt Service Reserve Account if and to the extent that such subaccount of the Debt Service Reserve Account contains less than the Required Amount, and/or (ii) either applied as a credit against the next deposit required to be made into the Debt Service Payment Fund, or used to purchase Obligations in the open market at a purchase price not exceeding par plus accrued interest, as may be directed by the Fiscal Officer; provided that, if proceedings are then pending or imminently contemplated for

incurring additional Costs of University Facilities which are or will be paid from the proceeds of Obligations, any such unexpended balance may be taken into account in determining the amount of Obligations to be authorized for such purpose, or may otherwise be applied to such Costs of University Facilities, in which event such unexpended balance may be transferred to a Project Fund created for such purpose.

If so provided in any Series Resolution or a Supplemental Trust Agreement, to the extent permitted by law, a Project Fund may be held and disbursed by the Trustee. Furthermore, if the Obligations with respect to which a Project Fund is created are Financing Agreements, SPBC Leases or Additional Obligation Instruments, a Project Fund may be created in accordance with the requirements of such Financing Agreements, SPBC Leases or Additional Obligation Instruments.

Section 4.06. Moneys to be Held in Trust. All moneys required or permitted to be deposited with or paid to the Trustee under any provisions of this Trust Agreement and any investments thereof, shall be held by the Trustee in trust. All moneys described in the preceding sentence held by the Trustee shall be subject to the lien hereof while so held.

Section 4.07. Non-presentment of Obligations. In the event that any Obligation shall not be presented for payment when the principal thereof becomes due in whole or in part, either at stated maturity, by redemption or pursuant to any Mandatory Sinking Fund Requirements, or a check or draft for interest is uncashed, if moneys sufficient to pay the principal then due of that Obligation or of such check or draft shall have been made available to the Trustee for the benefit of its Holder, all liability of the University to that Holder for such payment of the principal then due of the Obligation or of such check or draft thereupon shall cease and be discharged completely. Thereupon, it shall be the duty of the Trustee to hold those moneys in trust, without liability for interest thereon, for the exclusive benefit of the Holder, who shall be restricted thereafter exclusively to those moneys for any claim of whatever nature on its part under this Trust Agreement or on, or with respect to, the principal then due of that Obligation or of such check or draft.

Any of those moneys which shall be so held by the Trustee, and which remain unclaimed by the Holder of an Obligation not presented for payment or check or draft not cashed for a period of four years after the due date thereof, shall be paid to the University, free of any trust or lien, upon a request in writing by the University. Thereafter, the Holder of that Obligation shall look only to the University for payment and then only to the amounts so received by the University without any interest thereon, and the Trustee shall not have any responsibility with respect to those moneys.

Section 4.08. Extension of Payment of Obligations. The University shall not directly or indirectly extend or assent to the extension of the maturity of any of the Obligations or the time of payment of interest thereon by the purchase or funding of such Obligations or interest thereon or by any other arrangement. In case the maturity of any of the Obligations or the time for payment of any such Obligation or interest thereon shall be extended, such Obligations or interest thereon shall not be entitled, in case of any Event of Default under this Trust Agreement, to the benefit of this Trust Agreement or to any payment out of the moneys held hereunder (except moneys for the payment of particular Obligations pursuant to this Trust Agreement held by the Trustee or any Paying Agent) except subject to the prior payment of the principal of all Obligations issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on which Obligations shall not have been extended. Nothing

herein shall be deemed to limit the right of the University to issue any duly authorized refunding Obligations, including specifically but not by way of limitation, Notes issued as commercial paper, and such issuance shall not be deemed to constitute an extension of maturity of Obligations.

Section 4.09. Disposition of Special Funds. Except as provided in Section 4.07 of this Trust Agreement, any amounts remaining in the Special Funds, after all of the Outstanding Obligations shall be deemed to have been paid under the provisions of this Trust Agreement, and the fees, charges and expenses of the Trustee, Bond Registrar, Paying Agents and Authenticating Agents and all other amounts required to be paid under this Trust Agreement shall have been paid, subject to the provisions of Section 6.06 hereof, shall be paid over to the University.

Section 4.10. Payments to Trustee, Registrars, Paying Agents and Authenticating Agents. The University shall pay to the Trustee from General Receipts continuing until the Outstanding Obligations shall have been fully paid and discharged in accordance with the provisions of this Trust Agreement, the agreed upon fees, charges and expenses of the Trustee, as Trustee (for Ordinary and Extraordinary Services and Expenses), Registrar, Authenticating Agent and Paying Agent, and of other Registrars, Authenticating Agents and Paying Agents, as and when the same become due; provided that the University, without creating an Event of Default hereunder, may contest in good faith the necessity for any such Extraordinary Services and Extraordinary Expenses and the reasonableness of any such fees, charges or expenses prior to payment of the same.

Section 4.11. Power to Issue Obligations and Make Pledges. The University is duly authorized pursuant to law to create and issue the Obligations and enter into this Trust Agreement and to pledge the General Receipts, the Debt Service Fund and other Special Funds purported to be pledged in the manner and to the extent provided in this Trust Agreement. The Obligations are and will be the valid and legally enforceable obligations of the University and the provisions of this Trust Agreement are and will be the valid and legally enforceable obligations of the University, all in accordance with their terms and the terms of this Trust Agreement. The University shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the General Receipts, the Debt Service Fund and other Special Funds under this Trust Agreement and all the rights of the Holders under this Trust Agreement against all claims and demands of all Persons whomsoever.

Section 4.12. General Covenant. So long as any Obligations are Outstanding hereunder, the University covenants and agrees:

(a) to fix, make, adjust and collect such fees, rates, rentals, charges and other items of General Receipts so that there shall inure to the University General Receipts, in view of other revenues and resources available to the University, sufficient (i) to pay Debt Service Charges then due or to become due in the current Fiscal Year; (ii) to pay any other costs and expenses payable hereunder and (iii) to pay all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University; and

(b) that it will include in its budget for each Fiscal Year the amount required to be paid to the Debt Service Fund established under Section 4.02 hereof, during such Fiscal Year.

The University shall from time to time determine and reflect in such budgets, the amounts from respective sources of General Receipts to be applied to meet such payments, in such manner that the amounts and times of collection meet all payments required to be made into the Debt Service Fund.

Section 4.13. Continuance; Reservation of Rights. The University shall continue in existence as a higher education institution of the Commonwealth, provided, however that the University reserves the right to govern its affairs, to deal with University Facilities and other property and to reorganize or otherwise change its operations, programs or services so long as it remains in compliance with the terms hereof and of any Supplemental Trust Agreement.

Section 4.14. Valuation. For the purpose of determining the amount on deposit to the credit of the Debt Service Payment Account, the value of obligations in which money in such accounts shall have been invested shall be computed at market value or the amortized cost thereof, whichever is lower. For the purposes of determining the amount on deposit to the credit of the subaccounts within the Debt Service Reserve Account, the value of the obligations in which moneys in such account have been invested shall be computed in the manner set forth in the Supplemental Trust Agreement which creates such subaccount.

Section 4.15. Investment of Debt Service Fund and Project Fund. Except as hereinafter provided, moneys in the Debt Service Fund and the Project Fund shall be invested and reinvested by the Trustee (or the Fiscal Officer, as applicable) in Eligible Investments at the oral or written direction of the University, but if oral, confirmed promptly in writing. Investment of moneys in the Debt Service Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Debt Service Charges as they become due at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements. Each investment of moneys in the Debt Service Fund and the Project Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments when necessary from such fund. In the absence of any written direction from the Fiscal Officer, the Trustee shall invest all funds in sweep accounts, money-market funds and similar short-term investments, provided that all such investments shall constitute Eligible Investments. The Trustee may trade with itself or its affiliates in the purchase and sale of securities for such investments.

Subject to any directions from the University with respect thereto, the Trustee may, if it is maintaining a Project Fund, sell at the best price reasonably obtainable Project Fund investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent, a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Debt Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the University and without restriction by reason of any order. An investment made from moneys credited to the Debt Service Fund and the Project Fund shall constitute part of that respective fund, and each respective fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

For purposes of qualifying any investment as an Eligible Investment, where such qualification is dependent upon the rating assigned to such investment by a Rating Service, such qualification shall be determined as of the date of purchase of such investment or deposit thereof with the Trustee, whichever is later.

Section 4.16. Revenue Fund. So long as any Obligations remain Outstanding, there shall be maintained a Revenue Fund, which, to the extent required by law, may be a fund (and accounts) in the Commonwealth's management administrative and reporting system. There shall be maintained in the Revenue Fund the following Accounts: a "Student Registration Fees Account" and a "Housing System Revenues Account." The "Consolidated Educational Buildings Project Revenue Fund" created pursuant to the Prior Basic Resolution will continue to be maintained so long as any bonds remain outstanding under the Prior Basic Resolution, such Revenue Fund shall constitute the Student Registration Fees Account of the Revenue Fund until there are no bonds outstanding under the Prior Basic Resolution and all Student Registration Fees shall be deposited therein. The "1966 Revenue Fund Account" created by the Prior Housing Indenture will continue to be maintained so long as any bonds remain outstanding under the Prior Housing Indenture, such 1966 Revenue Fund Account shall constitute the Housing System Revenues Account of the Revenue Fund until there are no bonds outstanding under the Prior Housing Indenture and all Housing System Revenues shall be deposited therein.

Section 4.17. Payment. The University will, from the sources herein provided, pay or cause to be paid, Debt Service Charges on each and all Obligations on the dates, at the places and in the manner provided herein, in the applicable Series Resolution and in the Obligations, according to the true intent and meaning thereof.

Section 4.18. Maintenance of Pledge. The University will not make any pledge or assignment of or create or suffer any lien or encumbrance upon the Debt Service Fund and, except for the existing pledges under the Prior Basic Resolution and Prior Housing Indenture, the University will not make any pledge or assignment of or create or suffer any lien or encumbrance upon the General Receipts prior to or on a parity with the pledge thereof hereunder, except as authorized or permitted hereunder. The University will issue no additional bonds or notes under the Prior Basic Resolution. The University will issue no additional bonds or notes under the Prior Housing Indenture unless, with respect to a series of Housing Bonds, (i) such bonds or notes could be issued as Obligations hereunder within the limitations set forth in Section 2.01 hereof and (ii) it is provided in the supplemental indenture authorizing such notes or bonds that on the date no Housing Bonds are outstanding under the Prior Housing Indenture, other than notes or bonds issued in accordance with this Section, the lien securing such Housing Bonds created by the Prior Housing Indenture will terminate and such Housing Bonds will continue as Obligations hereunder on a parity with all other Obligations.

Section 4.19. Observance of Covenants. The University will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in this Trust Agreement, the Series Resolutions and in any and every Obligation executed, authenticated, if applicable, and delivered under this Trust Agreement, and in all other proceedings pertaining to the Obligations.

Section 4.20. Duties Binding on All with Authority. Each provision of the 2007 General Bond Resolution and this Trust Agreement is binding upon such officer, board, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the University and the Board, and of their members, officers and employees, undertaken pursuant to the 2007 General Bond Resolution and this Trust Agreement, is established as a duty of the University, the Board and of each such member, officer, and employee having authority to perform such duty which may be specifically enjoined by writ of mandamus.

Section 4.21. Annual Reports. Within one hundred and eighty (180) days after the end of each Fiscal Year, the University shall submit to the Trustee and to each Rating Service then rating any Obligations, an audited annual report by the University showing the financial operations of the University during the preceding Fiscal Year and such other data as the Trustee may reasonably deem to be relevant under the Trust Agreement and request in writing.

Section 4.22. Inspection and Audit of Records. The Trustee or the holders of twenty-five percent or more of the principal amount of all Outstanding Obligations shall have the right at all reasonable times to inspect any records, books, documents, Special Funds and accounts of the University relating to the Debt Service Fund at its own cost and expense. Such inspection may be conducted by a public accounting firm or other authorized representative selected by the party entitled to make the inspection.

Section 4.23. Further Assurance. The Board and University will at any and all times pass, make, do, execute and deliver such further resolutions, acts, instruments and assurances as may be necessary or desirable to carry out the purposes of this Trust Agreement, including (but not limited to) financing statements to evidence the security interest of the Trustee in the Debt Service Fund and General Receipts.

END OF ARTICLE IV

ARTICLE V

THE TRUSTEE, REGISTRAR, PAYING AGENTS AND AUTHENTICATING AGENTS

Section 5.01. Trustee's Acceptance and Responsibilities. The Trustee hereby accepts the trusts imposed upon it by this Trust Agreement and agrees to perform said trusts as an ordinary corporate trustee under a trust agreement and as a prudent trustee upon the occurrence of an Event of Default hereunder or an event that, given the passage of time, would constitute an Event of Default hereunder, but only upon and subject to the following express terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such customary compensation to all such attorneys, agents, receivers and employees as reasonably may be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the University), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) Except for its certificate of authentication on the Bonds and Notes, the Trustee shall not be responsible for any recital herein or in the Obligations, or the validity, priority, recording or re-recording, filing, or re-filing of this Trust Agreement or any financing statements, amendments thereto or continuation statements or for the validity of the execution by the University of this Trust Agreement or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby, or as to the maintenance of the security hereof, except that in the event the Trustee enters into possession of a part or all of the property of the University pursuant to any provision of this Trust Agreement it shall use due diligence in preserving such property. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the University, except as hereinafter set forth in this Article; but the Trustee may require of the University full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed.

(c) Except for the deposit and credit of the proceeds thereof in accordance with the provisions of the applicable Series Resolutions, the Trustee shall not be accountable for the application of the proceeds of any Obligations authenticated or delivered hereunder.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed, in good faith, to be genuine and correct and to have been signed or sent by the proper Person or Persons; provided, however, that in the case of any such certificate or opinion specifically required by any provision of this Trust Agreement to be furnished to the Trustee, the

Trustee shall be under a duty to examine the text of such certificate or opinion to determine whether or not such text substantially conforms as to form to the requirements of this Trust Agreement. Any action taken by the Trustee pursuant to this Trust Agreement upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Holder of any Obligations, shall be conclusive and binding upon all future Holders of the same Obligation and of Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the University by an authorized officer thereof as sufficient evidence of the facts therein contained, and, prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in paragraph (g) of this Section, or of which by said paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may accept a certificate of the officer, or an assistant thereto, having charge of the appropriate records to the effect that legislation in the form therein set forth has been enacted by the Board, as conclusive evidence that such legislation has been duly adopted and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except the Event of Default described in paragraph (a) of Section 6.01 hereof, unless the Trustee shall be specifically notified by writing delivered to it of such Event of Default by the University or the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Obligations then Outstanding, and in the absence of such notice so delivered the Trustee may conclusively assume there are no Events of Default hereunder except as aforesaid.

(h) The Trustee shall not, be required to give any bond or surety in respect of the execution of its trusts and powers hereunder.

(i) Notwithstanding anything elsewhere in this Trust Agreement contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Obligations, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the University to the authentication of any Obligations, the withdrawal of any cash, or the taking of any other action by the Trustee.

(j) Before taking action under Article VI or Section 5.04 hereof the Trustee may require that a satisfactory indemnity bond be furnished by the University or Holders for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct by reason of any action so taken.

(k) Unless otherwise provided herein, all moneys received by the Trustee under this Trust Agreement, until used or applied or invested as herein provided, shall be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Trust Agreement or by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon with the University.

(l) In the event that the approval or satisfaction of the Trustee is required pursuant to any provision of this Trust Agreement, or any other document relating to the Obligations, such approval or satisfaction shall not be unreasonably withheld and shall be given or withheld, as the case may be, within 30 days of the receipt of the request by the Trustee for such approval or satisfaction.

(m) The Trustee shall not assign, transfer or set over its rights under this Trust Agreement so long as any Obligations are Outstanding other than to a successor Trustee appointed pursuant to Section 5.09 hereof.

(n) Prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default that may have occurred, the duties and obligations of the Trustee shall be determined solely by the express provisions of this Trust Agreement and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Trust Agreement.

(o) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of Obligations Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement. None of the provisions contained in this Trust Agreement shall require the Trustee to expend or risk its funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers

Section 5.02. Fees, Charges and Expenses of the Trustee, Registrar, Paying Agents and Authenticating Agents. The Trustee, the Registrar and any Paying Agents or Authenticating Agents shall be entitled to payment or reimbursement for customary fees for their Ordinary Services rendered hereunder and all advances, counsel fees and other Ordinary Expenses reasonably and necessarily made or incurred by them in connection with such Ordinary Services. For purposes hereof, fees for Ordinary Services provided for by their respective standard fee schedule shall be considered customary. In the event that it should become necessary for any of them to perform Extraordinary Services, they shall be entitled to customary extra compensation therefor, and to reimbursement for customary and necessary Extraordinary Expenses in connection therewith; provided that if such Extraordinary Services or Extraordinary Expenses are occasioned by their negligence or willful misconduct, they shall not be entitled to compensation or reimbursement therefor. The Trustee, the Registrar and any Paying Agent or the Authenticating Agent shall be entitled to payment and reimbursement, but only from the payments by the University from General Receipts available therefor, for their customary fees and reasonable charges. The Trustee may charge for any amounts owed to it or any advances it makes on behalf of the University at an interest rate equal to 10% per annum. The Trustee may automatically, but with the prior consent or notice to the University, charge and debit any funds in the possession of the Trustee (except funds in the Debt Service Fund and the Project Fund) for

the payment of amounts owed to the Trustee under this Section (including through the use of automatic clearinghouse debits or transfers).

Section 5.03. Notice to Holders if Event of Default Occurs. If an Event of Default hereunder occurs of which the Trustee, pursuant to this Trust Agreement, has actual notice or is deemed to have notice pursuant to Section 5.01(g) hereof, then the Trustee shall, as provided in Section 6.01 hereof, give written notice thereof to the last known Holders of all Obligations then Outstanding as shown on the Register as of the date of the Event of Default, unless the board of directors, the executive committee or a trust committee of directors or responsible officers of the Trustee determines that the withholding of such notice is in the interests of the Holders.

Section 5.04. Intervention by the Trustee. In any judicial proceeding to which the University is a party and which in the opinion of the Trustee and its attorney has a substantial bearing on the interests of Holders of the Obligations, the Trustee may intervene on behalf of Holders and shall do so if requested in writing by the Holders of at least twenty-five percent of the aggregate principal amount of Obligations then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of such intervention by a court of competent jurisdiction.

Section 5.05. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it or any successor to it may be consolidated, or to which it may sell or transfer its assets and trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate hereunder and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided that any such successor Trustee shall be a corporate trustee which may be a trust company or a bank or banking corporation having the powers of a trust company, within or without the Commonwealth, but authorized to exercise trust powers in the Commonwealth, and have a reported capital and surplus of not less than $100,000,000; and provided, further, that in the event of the conversion, sale, merger, consolidation or transfer as described in this Section with respect to the Trustee or any successor Trustee, the University shall have the right to cause the replacement of such entity with another institution otherwise meeting the requirements of this Section. Any such replacement shall be preceded by written notice given by the University to the Trustee at least 30 days prior to the effective date of the replacement and any such notice must be given no more than 180 days following the official public announcement of such conversion, sale, merger, consolidation or transfer as contemplated by this Section.

Section 5.06. Appointment of Co-Trustee. It is the purpose of this Trust Agreement that there shall be no violation of any law of any jurisdiction (including without limitation the laws of the Commonwealth) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that, (a) if there is litigation under this Trust Agreement or other instruments or documents relating to the Obligations and in particular in case of the enforcement hereof or thereof upon an Event of Default or (b) if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not (i) exercise any of the powers, rights or remedies granted herein to the Trustee, (ii) hold title to properties, in trust, as granted herein or (iii) take any action which may be desirable or necessary in connection

therewith, it may be necessary that the Trustee appoint an individual or additional institution as a co-Trustee. The following provisions of this Section are adopted to these ends.

In the event that the Trustee appoints an individual or additional institution as a co-Trustee, each and every trust, property, remedy, power, right, duty, obligation, discretion, privilege, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Trust Agreement to be exercised by, vested in or conveyed to the Trustee shall be exercisable by, vest in and be conveyed to that co-Trustee, but only to the extent necessary for it to be so vested and conveyed and to enable that co-Trustee to exercise it. Every covenant, agreement and obligation necessary to the exercise thereof by that co-Trustee shall run to and be enforceable by it.

Should any instrument or document in writing from the University reasonably be required by the co-Trustee so appointed by the Trustee for vesting and conveying more fully and certainly in and to that co-Trustee those trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens, that instrument or document shall be executed, acknowledged and delivered, but shall not be prepared, by the University. In case any co-Trustee or a successor to it shall die, become incapable of acting, resign or be removed, all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the co-Trustee shall be exercised by, vest in and be conveyed to the Trustee, to the extent permitted by law, until the appointment of a successor to the co-Trustee.

Section 5.07. Resignation by the Trustee. The Trustee may at any time resign from the trusts hereby created by giving at least 60 days prior written notice thereof to the University, the Registrar and any Paying Agents and Authenticating Agents and by mailing written notice of the resignation to the Holders as their names and addresses appear on the Register at the close of business seven days prior to mailing. Such resignation shall take effect upon the appointment of a successor Trustee. Prior to such appointment, the University is obligated to pay any and all customary fees and reasonable expenses incurred by the Trustee pertaining to its duties and expenses incurred in connection with the appointment of a successor.

Section 5.08. Removal of the Trustee. The Trustee may be removed as Trustee at any time by (i) the holders of Obligations by an instrument or concurrent instruments in writing delivered to the Trustee and to the University and signed by or on behalf of the holders of not less than a majority in aggregate principal amount of Obligations then Outstanding, or (ii) so long as no Event of Default has occurred and is continuing, by the University by written order of the Fiscal Officer delivered to the Trustee. The University shall mail copies of the notice of the removal to each Credit Support Provider and to any other Registrar, Authenticating Agents, Tender Agents and Paying Agents. That removal shall take effect immediately upon the appointment pursuant to Section 5.09 hereof of a successor Trustee if the successor Trustee is appointed and accepted the trusts hereof before the time stated in that notice and otherwise shall take effect immediately upon the appointment pursuant to Section 5.09 hereof of a successor Trustee; provided, that the removal shall not become effective until a successor is appointed and accepts the trusts hereof.

The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Trust Agreement with respect to the duties and obligations of the Trustee by any court of

competent jurisdiction upon the application of the University or the Holders of not less than twenty percent in aggregate principal amount of the Obligations then Outstanding.

Section 5.09. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in the case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor hereunder shall be appointed by the University, provided that if a successor Trustee is not so appointed within 30 days after notice of a resignation is mailed or an instrument of removal is delivered as provided in Sections 5.07 and 5.08 hereof, respectively, or the Trustee is dissolved, taken under control or otherwise incapable of action as above provided, then the Holders of not less than a majority in aggregate principal amount of Obligations then Outstanding by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, may designate a successor Trustee. Every such successor Trustee appointed pursuant to the provisions of this Section shall be a corporate trust company or bank or banking association in good standing, within or without the Commonwealth but authorized to exercise trust powers within the Commonwealth, having a reported capital and surplus of not less than $100,000,000 and willing to accept the trusteeship under the terms and conditions of this Trust Agreement.

Section 5.10. Concerning Any Successor Trustee. Every successor Trustee appointed or succeeding under Sections 5.05 and 5.09 hereof, respectively, shall execute, acknowledge and deliver to its predecessor and also to the University an instrument in writing accepting such appointment hereunder, and thereupon such successor without any further act shall become fully vested with all the rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of its successor or the University and payment to such predecessor of all fees and expenses owed to it, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder, and shall duly assign, transfer and deliver all property, securities and moneys held by it as Trustee to its successor. Should any instrument in writing from the University be required by any successor Trustee for more fully and certainly vesting in such successor the rights, powers and duties hereby vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the University.

Section 5.11. Successor Trustee as Custodian of Funds, Registrar, Authenticating Agent and Paying Agent. In the event of a change of the Trustee, the predecessor Trustee which has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this Trust Agreement and shall cease to be Registrar, Authenticating Agent and Paying Agent for any of the Obligations, and the successor Trustee shall become such custodian, Registrar, Authenticating Agent and Paying Agent.

Section 5.12. Adoption of Authentication. In case any of the Obligations contemplated to be issued hereunder shall have been authenticated but not delivered, any successor Trustee, Registrar or Authenticating Agent may adopt the certificate of authentication of any predecessor Trustee and may deliver the said Obligations so authenticated as hereinbefore provided. In case any of such Obligations shall not have been authenticated, any successor Trustee, Registrar or Authenticating Agent may authenticate such Obligations either in the name of any predecessor or in its own name. In all such cases such certificate of authentication shall have the same force and effect as provided in the Obligations or in this Trust Agreement with respect to the certificate of authentication of the predecessor Trustee, Registrar or Authenticating Agent.

Section 5.13. Trustee Protected in Relying Upon Instruments. Resolutions, opinions, certificates and other instruments provided for in this Trust Agreement may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for its actions taken hereunder; provided that in the case of any such resolution, opinion, certificate or other instrument specifically required by any provision of this Trust Agreement to be furnished to the Trustee, the Trustee shall be under a duty to examine the text of such resolution, certificate, opinion or other instrument to determine whether or not such text substantially conforms to the requirements of this Trust Agreement.

Section 5.14. Registrars.

(a) Succession. Anything herein to the contrary notwithstanding any corporation or association (i) into which a Registrar may be converted or merged, (ii) with which a Registrar or any successor to it may be consolidated or (iii) to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger, consolidation, sale or transfer, ipso facto, shall be and become the successor Registrar to that Registrar hereunder and shall be vested with each and every power, right, duty, obligation, discretion and privilege expressed or intended by this Trust Agreement to be exercised by or vested in the predecessor Registrar, without the execution or filing of any instrument or document or any further act on the part of any of the parties hereto.

(b) Resignation. A Registrar may resign at any time by giving written notice of its resignation to the University, the Trustee, each Credit Support Provider which has issued a Credit Support Instrument for a series of Obligations then Outstanding for which it is Registrar, and to each Paying Agent and Authenticating Agent for those series of Obligations, at least 60 days before the resignation is to take effect. The resignation shall take effect immediately, however, upon the appointment of successor Registrar, if the successor Registrar is appointed and accepts that appointment before the time stated in the notice.

(c) Removal. The Registrar may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Registrar, with copies thereof mailed to the University and the Trustee, and signed by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding.

(d) Appointment of Successors. If (i) a Registrar shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (ii) a Registrar shall be taken under the control of any public officer or officers, (iii) a receiver shall be appointed for a Registrar by a court or (iv) a Registrar shall have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws or commence a proceeding under any federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days, then a successor Registrar shall be appointed by the Fiscal Officer, with the written consent of the Trustee; until a successor Registrar is appointed and accepts such appointment, the Trustee shall act as an interim Registrar, provided that if a successor Registrar is not so appointed within ten days after (a) a notice of resignation or an instrument or document or removal is received

by the University, as provided above or (b) the Registrar is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed in each case, as provided above, then, if the University shall not have appointed a successor Registrar, the Trustee or the Holders of a majority in aggregate principal amount of Obligations then Outstanding may designate a successor Registrar by an instrument or document or concurrent instruments or documents in writing signed by the Trustee, or in the case of the Holders, by or on behalf of those Holders.

Every successor Registrar appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the University and the Trustee, an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of its predecessor. Upon the written request of its successor and payment of all fees and expenses owed to it, the University or the Trustee, a predecessor Registrar (i) shall execute and deliver an instrument or document transferring to its successor all of the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interests of it as predecessor Registrar hereunder and (ii) shall take any other action necessary to duly assign, transfer and deliver to its successor all property and records (including without limitation the Register and any canceled Obligation) held by it as Registrar. Should any instrument or document in writing from the University be requested by any successor Registrar for vesting and conveying more fully and certainly in and to that successor the properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, titles and interest vested or conveyed or intended to be vested or conveyed hereby in or to a predecessor Registrar; the University shall execute, acknowledge and deliver that instrument or document.

Section 5.15. Designation and Succession of Paying Agents. The Trustee shall be a Paying Agent for the Obligations and, with the consent of the University, the Trustee may appoint a Paying Agent or Agents with power to act on its behalf and subject to its direction in the payment of Debt Service Charges on any series of Obligations. It is the responsibility of the Trustee to establish the duties and responsibilities of any Paying Agent for the purposes of this Trust Agreement, to the extent not specified herein.

Any corporation or association with or into which any Paying Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Paying Agent shall be a party, or any corporation or association succeeding to the trust business of any Paying Agent, shall be the successor of that Paying Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Paying Agent or that successor corporation or association.

Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee, to the Registrar and to the University. The Trustee may at any time terminate the agency of any Paying Agent by given written notice of termination to such Paying Agent, to the Registrar and to the University. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Paying Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Paying Agent. The Trustee shall give written notice of appointment of a successor Paying Agent to the University and the Registrar and shall mail,

within ten days after that appointment, notice thereof to all Holders as their names and addresses appear on the Register on the date of that appointment.

The Trustee shall pay to any Paying Agent from time to time customary compensation as authorized in Section 5.02 hereof for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 5.02 hereof.

The provisions of Section 2.04 hereof and Subsection (d) of Section 5.01 hereof shall be applicable to any Paying Agent.

Section 5.16. Designation and Succession of Authenticating Agents. With the written consent of the University, the Trustee may appoint an Authenticating Agent or Agents, in addition to the Registrar, with power to act on its behalf and subject to its direction in the authentication and delivery of Obligations in connection with transfers and exchanges under Section 2.04 hereof. For all purposes of this Trust Agreement, the authentication and delivery of Bonds and Notes by an Authenticating Agent pursuant to this Section shall be deemed to be authentication and delivery of those Obligations "by the Trustee."

Any corporation association with or into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation or association succeeding to the trust business of any Authenticating Agent, shall be the successor of that Authenticating Agent hereunder, if that successor corporation or association is otherwise eligible hereunder, without the execution or filing of any paper or any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, to the Registrar and to the University. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, to the Registrar, and to the University. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee may, with the written consent of, the University, appoint a successor Authenticating Agent. The Trustee shall give written notice of appointment of a successor Authenticating Agent to the University and the Registrar and shall mail, within ten days after that appointment, notice thereof to all Holders as their names and addresses appear on the Register on the date of that appointment.

The Trustee shall pay to any Authenticating Agent from time to time customary compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments, subject to Section 5.02 hereof.

The provisions of Section 2.04 hereof and Subsections (b), (c), (d), (j) and (k) of Section 5.01 hereof shall be applicable to any Authenticating Agent.

Section 5.17. Dealing in Obligations. The Trustee, a Registrar, a Paying Agent and an Authenticating Agent, their affiliates, and directors, officers, employees or agents, in good faith, may become the Holders of Obligations secured hereby with the same rights which it or they would have hereunder if the Trustee, the Registrar, Paying Agents or Authenticating Agents did not serve in those capacities.

Section 5.18. Representations, Agreements and Covenants of Trustee. The Trustee hereby represents that it is a state banking corporation, in good standing and duly authorized to exercise corporate trust powers in the Commonwealth, and that it has an unimpaired reported capital and surplus of not less than $100,000,000. The Trustee covenants that it will take such action, if any, as is necessary to remain in good standing and duly authorized to exercise corporate trust powers in the Commonwealth, and that it will maintain an unimpaired reported capital and surplus of not less than $100,000,000.

Section 5.19. Interpleader. In the event of a dispute between any of the parties hereto with respect to the disposition of any funds held by the Trustee hereunder, or the Trustee receives conflicting demands made upon the Trustee with respect to the Trustees duties hereunder or any other document related to the Obligations, the Trustee shall be entitled to file a suit in interpleader in a court of competent jurisdiction seeking to require the parties to interplead and litigate in such court their several claims and rights among themselves. Upon the filing of such a suit and the deposit of the applicable funds to such court, the Trustee will ipso facto be fully released and discharged from all obligations to further perform any and all duties imposed hereunder or any other document related to the Obligations regarding such matter and/or such funds that are the subject to such interpleader suit. In the event that the Trustee remains as Trustee under this Trust Agreement and receives a court order, directive or other request regarding the interpleader suit, the Trustee shall be entitled to rely upon such instruction without incurring any obligation or liability and the parties hereto release, hold harmless and indemnify the Trustee for any obligation or liability for so relying on such court instruction.

Section 5.20. Survival of Certain Provisions. The rights, remedies and indemnifications contained in Sections 5.01 through 5.20 of this Trust Agreement shall survive the release, discharge and satisfaction of this Trust Agreement.

END OF ARTICLE V

ARTICLE VI

EVENT OF DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Section 6.01. Events of Default. If any of the following events occur, subject to the provisions of Section 6.10 hereof, it is hereby defined as and declared to be and to constitute an "Event of Default" hereunder:

(a) Failure to pay any Debt Service Charges when and as the same shall have become due and payable;

(b) Failure to pay the principal of or any premium on any Prior Obligations when and as the same shall become due and payable, whether at the stated maturity thereof or by redemption or acceleration or pursuant to any mandatory sinking fund requirements;

(c) Failure by the University to perform or observe any other covenant, agreement or condition on the part of the University contained in this Trust Agreement or in the Obligations, which failure or Event of Default shall have continued for a period of 30 days after written notice, by registered or certified mail, given to the University by the Trustee, specifying the failure or Event of Default and requiring the same to be remedied, which notice shall be given by the Trustee upon the written request of the Holders of not less than twenty-five percent in aggregate principal amount of the Obligations then Outstanding; provided that the Person or Persons requesting such notice may agree in writing to a 90-day extension of such period prior to the expiration of the initial 30-day period; provided further, however, that if the University shall proceed to take curative action which, if begun and prosecuted with due diligence, cannot be completed within a period of 90 days, then such period shall be increased without such written extension up to 180 days as shall be necessary to enable the University to diligently complete such curative action;

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

Additional "Events of Default" applicable to a particular series of Obligations may be set forth is a Supplemental Trust Agreement relating to those Obligations or in the form of that Obligation.

The term "default" or "failure" as used hereunder means a default or failure by the University in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Trust Agreement exclusive of any period of grace required to constitute an "Event of Default" as hereinabove provided.

If an Event of Default described above shall occur, the Trustee, within five days after knowledge of such Event of Default as provided in paragraph (g) of Section 5.01 hereof, shall give written notice, by registered or certified mail, of such Event of Default to the University.

Section 6.02. Acceleration. Upon the occurrence of any Event of Default as defined in Section 6.01 hereof, the Trustee may, and upon the written request of the Holders of not less than 25 percent in aggregate principal amount of the Obligations Outstanding shall, declare the principal of all Obligations, together with accrued interest thereon, to be immediately due and payable on the announced accelerated maturity date. Upon any such declaration, which shall be made by a notice in writing given to the University, the principal of and accrued interest, if any, on the Obligations shall become and be immediately due and payable on the accelerated maturity date announced in such notice, which date shall be a Business Day not more than five days following the date of declaration of acceleration. Interest on the accelerated Obligations shall accrue to the announced accelerated maturity date; provided that interest shall continue to accrue on the Obligations after the announced accelerated maturity date to the extent that moneys are not on deposit on such date in the Debt Service Fund for the retirement of the principal of the Obligations.

The provisions of the above paragraph are subject, however, to the condition that if, at any time after such principal and interest on Obligations shall have been so declared due and payable, all sums payable hereunder except the principal of, and interest accrued after the next preceding Interest Payment Date on, the Obligations accelerated which have not reached their stated maturity dates and which are due and payable solely by reason of said declaration shall have been duly paid or provided for by deposit with the Trustee or Paying Agents hereunder from moneys supplied by the University and all existing Event of Defaults hereunder shall have been fully cured, to the extent then capable of being cured, then and in every such case such payment or provisions for payment shall ipso facto constitute a waiver of such Event of Default and its consequences and an automatic rescission and annulment of such declarations under the above paragraph, but no such waiver or rescission shall extend to or affect any subsequent Event of Default or impair any rights consequent thereon.

Section 6.03. Other Remedies; Rights of Holders. Upon the happening and continuance of an Event of Default the Trustee may pursue any available remedy to enforce the payment of Debt Service Charges or to remedy any Event of Default, including those specifically authorized by the Act.

Upon the happening and continuance of an Event of Default, and if requested to do so by the Holders of at least twenty-five percent in aggregate principal amount of the Obligations then Outstanding, or a Credit Support Provider not then in default on its obligations with respect to a Credit Support Instrument provided by it in connection with the affected Obligations, and having been indemnified as provided in Section 5.01 hereof, the Trustee shall exercise such of the rights and powers conferred by this Section and by Section 6.02 hereof as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Holders of the Obligations accelerated.

No remedy by the terms of this Trust Agreement conferred upon or reserved to the Trustee (or to the Holders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Holders hereunder or now or hereafter existing.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 6.04. Right of Holders to Direct Proceedings. Anything in this Trust Agreement to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of the Obligations then Outstanding shall have the right with the consent of each Credit Support Provider not then in default on its obligations with respect to the Credit Support Instrument provided by it, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Trust Agreement, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of the law of the Commonwealth and of this Trust Agreement; provided that the Trustee shall be indemnified to its satisfaction; and provided further that the Trustee shall have the right to decline to follow any such direction which in its opinion would be unjustly prejudicial to the Holders of Obligations who are not parties to the direction.

Section 6.05. Appointment of Receivers. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Holders under this Trust Agreement, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers in equity of the moneys collected pursuant to actions taken under this Article VI hereunder, pending such proceedings, with such power as the court making such appointment shall confer.

On the occurrence of an Event of Default, to the extent such rights may then lawfully be waived, neither the University, nor anyone claiming through or under the University, shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Trust Agreement, but the University, for itself and all who may claim through or under it, hereby waives, to the extent it may lawfully do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled.

Section 6.06. Application of Moneys. All moneys received by the Trustee, after payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of moneys pursuant to any right given or action taken under the provisions of this Article (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VI), shall be applied as follows, subject to any provision made pursuant to Sections 3.04, 4.03 or 4.04 hereof;

(a) All such moneys shall be deposited in the Debt Service Payment Account and applied:

FIRST -- To the payment to the Holders entitled thereto of all installments of interest then due on the Obligations (or reimbursement of Credit Support

Providers for interest payments to the extent set forth in Credit Support Instruments), ratably and without preference or priority and, with respect to a particular series of Obligations, in the order of maturity of the installments of such interest and beginning with the earliest such maturity and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any discrimination or privilege except as to any difference in the respective rates of interest specified in the Obligations; and

SECOND -- To the payment to the Holders entitled thereto of the unpaid principal of any Obligations (or reimbursement of Credit Support Providers for principal payments to the extent set forth in Credit Support Instruments) which shall have become due (other than Obligations previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Trust Agreement) whether at stated maturity, by call for redemption or pursuant to any Mandatory Sinking Fund Requirements, ratably and without preference or priority and, with respect to a particular series of Obligations, in the order of their due dates and beginning with the earliest such due date, and if the amount available shall not be sufficient to pay in full all Obligations (and reimburse in full Credit Support Providers for principal payments to the extent set forth in Credit Support Instruments) due on any particular date, then to the payment thereof ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Obligations shall have become due or shall have been declared due and payable pursuant to this Article, all such moneys shall be deposited in the Debt Service Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Obligations (and reimbursement of Credit Support Providers for principal and interest payments to the extent set forth in Credit Support Instruments), without preference or priority of principal over interest or of interest over principal or of any installment of interest over any other installment of interest, or of any Obligations, over any other Obligations, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified in the Obligations and then to the payment of all other obligations of the University to Credit Support Providers.

(c) If the principal of all the Obligations shall have been declared due and payable pursuant to this Article, and if such declaration shall thereafter have been rescinded and annulled under the provisions of Sections 6.02 or 6.10 hereof, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Obligations shall later become due or be declared due and payable, all such moneys shall be deposited in the Debt Service Fund and shall be applied in accordance with the provisions of Article IV of this Trust Agreement.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee 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 apply those moneys, it shall fix the

date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amount of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of any such date, all consistent with the requirements of Section 2.04 hereof for the establishment of and for giving notice with respect to a Special Record Date for the payment of overdue interest.

Section 6.07. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Trust Agreement or under any of the Obligations may be enforced by the Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Obligations, and any recovery of judgment shall be for the benefit of the Holders of the Outstanding Obligations, subject, however, to the provisions of this Trust Agreement.

Section 6.08. Rights and Remedies of Holders. No Holder of any Obligations shall have any right to institute any suit, action or proceeding for the enforcement of this Trust Agreement or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred, and is continuing, of which the Trustee has been notified as provided in paragraph (g) of Section 5.01 hereof, or of which by said paragraph it is deemed to have notice, and the Holders of at least twenty-five percent in aggregate principal amount of the Obligations then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and have offered to the Trustee indemnity as provided in Section 5.01 hereof, and the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Trust Agreement, and to any action or cause of action for the enforcement of this Trust Agreement, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Trust Agreement by its, his or their action or to enforce any right hereunder except in the manner herein provided and that proceedings shall be instituted, had and maintained in the manner herein provided and for the benefit of the Holders of all Obligations, on a parity basis. Notwithstanding the foregoing, each Holder of an Obligation shall have a right of action to enforce the payments of the principal of and interest and any premium on the Obligations held by him at and after the maturity thereof at the place, from the sources and in the manner expressed in said Obligations; provided that such Holder may not institute any such suit, if and to the extent that the institution or prosecution thereof or the entry of judgment therein would, under applicable law; result in the surrender, impairment, waiver, or loss of the lien of this Trust Agreement upon any property subject to such lien.

Section 6.09. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Trust Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the University, the Trustee and the Holders of any Obligations shall be restored to their

respective former positions and rights hereunder and all rights, remedies and powers of the Trustee shall continue unimpaired as before.

Section 6.10. Waivers of Events of Default. At any time, the Trustee may in its discretion waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal, and shall do so upon the written request of the Holders of either at least a majority in aggregate principal amount of the Obligations, then Outstanding with respect to which an Event of Default in the payment of Debt Service Charges then exists or at least twenty-five percent in aggregate principal amount of the Obligations then Outstanding, with respect to any other Event of Default hereunder; provided that there shall not be waived any Event of Default described in paragraph (a) of Section 6.01 hereof or any such declaration in connection therewith rescinded, unless at the time of such waiver or rescission payments of the amounts provided in Section 6.02 hereof for waiver and automatic rescission in connection with acceleration of maturity have been made. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the University, the Trustee, and Credit Support Provider and the Holders of the Obligations shall be restored to their respective former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 6.11. Expenses and Services After an Event of Default. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default described in this Article VI, the expenses and compensation for services are intended to constitute expenses of administration under any bankruptcy law.

END OF ARTICLE VI

ARTICLE VII

SUPPLEMENTAL INDENTURES

Section 7.01. Supplemental Trust Agreements Not Requiring Consent of Holders. The University and the Trustee without the consent of, or notice to, any of the Holders, may enter into indentures supplemental to this Trust Agreement and other instruments evidencing the existence of a lien as shall not, in the opinion of the Trustee, be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Trust Agreement or in any Supplemental Trust Agreement;

(b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders or the Trustee;

(c) To subject additional revenues or property to the lien and pledge of this Trust Agreement;

(d) To add to the covenants and agreements of the University contained in this Trust Agreement other covenants and agreements thereafter to be observed for the protection of the Holders, or, if in the judgment of the Trustee such is not to the prejudice of the Trustee or the Holders, to surrender or limit any right, power or authority reserved to or conferred upon the University in this Trust Agreement, including the limitation of rights of redemption so that in certain instances Obligations of different series will be redeemed in some prescribed relationship to one another;

(e) To evidence any succession to the University and the assumption by such successor of the covenants and agreements of the University contained in this Trust Agreement or other instrument providing for the operation of the University or University Facilities, and the Obligations;

(f) In connection with the issuance of Obligations in accordance with Sections 2.01 and 2.02 hereof;

(g) To permit the Trustee to comply with any obligations imposed upon it by law;

(h) To permit the exchange of Obligations, at the option of the Holder or Holders thereof, for coupon Obligations of the same series payable to bearer, in an aggregate principal amount not exceeding the unmatured and unredeemed principal amount of the Predecessor Obligations, bearing interest at the same rate or rates and maturing on the same date or dates, with coupons attached representing all unpaid interest due or to become due thereon if, in the opinion of nationally recognized Bond Counsel selected by the University and acceptable to the Trustee, that exchange would not result in the interest on any of the Obligations Outstanding becoming subject to federal income taxation;

(i) To specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents;

(j) To achieve compliance of this Trust Agreement with any applicable federal or Kentucky laws, including tax laws;

(k) To modify any provisions of this Trust Agreement in order to obtain a Credit Support Instrument or Interest Rate Hedge Agreement, so long as such modifications affect only the Obligations to which such Credit Support Instrument or Interest Rate Hedge Agreement relate; and

(l) In connection with any other change hereto which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Holders of the Obligations.

The provisions of Subsection 7.01(g) and (j) shall not be deemed to constitute a waiver by the Trustee, the Registrar, the University or any Holder of any right which it may have in the absence of those provisions to consent to the application of any change in law to this Trust Agreement or the Obligations.

Section 7.02. Supplemental Trust Agreements Requiring Consent of Holders. Exclusive of supplemental indentures referred to in Section 7.01 hereof and subject to the terms and provisions and limitations contained in this Section, and not otherwise, the Holders of a majority in aggregate principal amount of the Obligations then Outstanding shall have the right, from time to time, anything contained in this Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the University and the Trustee of such other indenture or indentures supplemental to this Trust Agreement as shall be deemed necessary and desirable by the University for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Trust Agreement; provided that nothing in this Section or elsewhere shall permit, or be construed as permitting, a Supplemental Trust Agreement providing for (a)(i) a reduction in the percentage of Obligations the consent of the Holders of which are required to consent to such Supplemental Trust Agreement or (ii) a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Holders of all Obligations then Outstanding, (b) effect a change in the times, amount or currency of payment of the principal of, premium, if any, on or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of each such Obligation so affected or (c) modify the right of the Holders of not less than twenty-five percent in aggregate principal amount of the Obligations then Outstanding and in default as to payment of principal, premium or interest to compel the Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Holders of a majority in aggregate principal amount of the Obligations then Outstanding.

If at any time the University shall request the Trustee to enter into any such Supplemental Trust Agreement for any of the purposes of this Section, the Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice of the proposed execution of such Supplemental Trust Agreement to be mailed by first class mail, postage prepaid, to all Holders of Obligations then Outstanding at their addresses as they appear on the Registrar at the close of business on the Business Day immediately preceding that mailing. The Trustee shall not, however, be subject to any liability to any Holder by reason of its failure to mail, or the failure of

such Holder to receive, the notice required by this Section, and any such failure shall not affect the validity of such Supplemental Trust Agreement when consented to and approved as provided in this Section. Such notice shall briefly set forth the nature of the proposed Supplemental Trust Agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Holders.

If within such period, not exceeding one year, as shall be prescribed by the University, following the mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Holders of a majority in aggregate principal amount of the Obligations then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Trust Agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee shall execute such Supplemental Trust Agreement in substantially such form; without liability or responsibility to any Holder of any Obligation, whether or not such Holder shall have consented thereto.

Any such consent shall be binding upon the Holder of the Obligation giving such consent, upon any subsequent Holder of such Obligation and upon the Holder of any Obligation issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Obligation giving such consent or by a subsequent Holder thereof by filing with the Trustee, prior to the execution by the Trustee of such Supplemental Trust Agreement, such revocation and, if such Obligation or Obligations are transferable by delivery, proof that such Obligations are held by the signer of such revocation in the manner permitted by Section 9.01 hereof. At any time after the Holders of the required percentage of the Obligations shall have filed their consents to the Supplemental Trust Agreement, the Trustee shall make and file with the University a written statement that the Holders of such required percentage of the Obligations have filed such consents. Such written statement shall be conclusive evidence that such consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of the Obligations shall have consented to and approved the execution thereof as herein provided, no Holder of any Obligation shall have any right to object to the execution of such Supplemental Trust Agreement, to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Trustee or the University from executing the same or from taking any action pursuant to the provisions thereof.

Section 7.03. Authorization to the Trustee; Effect of Supplemental Trust Agreements. The Trustee is authorized to join with the University in the execution of any such Supplemental Trust Agreement provided for in this Article and to make the further agreements and stipulations which may be contained therein. Any Supplemental Trust Agreement executed in accordance with the provisions of this Article shall thereafter form a part of this Trust Agreement, all the terms and conditions contained in any such Supplemental Trust Agreement as to any provision authorized to be contained therein shall be deemed to be part of the terms and conditions of this Trust Agreement for any and all purposes, this Trust Agreement shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Trust Agreement of the University, the Trustee, the Registrar, the Authenticating Agents, the Paying Agents and all Holders of Obligations then Outstanding shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modifications and amendments. Express reference to such executed Supplemental Trust Agreement may be made

in the text of any Obligations issued thereafter, if deemed necessary or desirable by the Trustee or the University. There shall be no modification, change or amendment to this Trust Agreement or any other document related to the Obligations which affects the rights, duties or obligations of the Trustee thereunder, without the Trustee's prior written consent.

Section 7.04. Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it, who may be counsel for the University, as conclusive evidence that any such proposed Supplemental Trust Agreement complies with the provisions of this Trust Agreement and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such Supplemental Trust Agreement.

Section 7.05. Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Trust Agreement, the rights and obligations of the University and of the Holders of the Obligations, and the terms and provisions of the Obligations and this Trust Agreement or any Supplemental Trust Agreement, may be modified or altered in any respect with the consent of the University and the consent of the Holders of all of the Obligations then Outstanding and the Trustee.

END OF ARTICLE VII

ARTICLE VIII

DEFEASANCE

Section 8.01. Release of Trust Agreement. If the University shall pay or cause to be paid and discharged, or there shall otherwise by paid to the Holders of the Outstanding Obligations all Debt Service Charges due or to become due thereon and provision shall also be made for paying all other sums payable hereunder, then and in that event this Trust Agreement (except for Sections 4.02, 4.04, 4.05, 8.02 and 8.03 hereof) shall cease, determine and become null and void, and the covenants, agreements, and other obligations of the University hereunder shall be discharged and satisfied, and thereupon the Trustee shall release this Trust Agreement, including the cancellation and discharge of the lien hereof, and execute and deliver to the University such instruments in writing as shall be requisite to satisfy and terminate the lien hereof and to enter on the records such satisfaction and discharge and to re-convey to the University the estate hereby created and such other instruments to evidence such release and discharge as may be reasonably required by the University, and the Trustee and Paying Agents shall assign and deliver to the University any property at the time subject to the lien of this Trust Agreement which may then be in their possession, except amounts in the Debt Service Fund required to be held by the Trustee and Paying Agents under Section 4.07 hereof or otherwise for the payment of Debt Service Charges.

Section 8.02. Payment and Discharge of Obligations. All the Outstanding Obligations of one or more series shall be deemed to have been paid and discharged within the meaning of this Trust Agreement, including without limitation, Section 8.01 hereof if either (i) the Trustee as paying agent and any Paying Agents shall hold, in the Debt Service Payment Account in trust for and irrevocably committed thereto, sufficient moneys or (ii) the Trustee shall hold, in the Debt Service Fund in trust for and irrevocably committed thereto, investments qualifying as Government Bonds as of the date of the determination required in this Section 8.02 which are, in either case, certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient together with moneys referred to in clause (i) above, for the payment, at their maturity, redemption or due date, as the case may be, of all Debt Service Charges on those Obligations to their maturity, redemption or due date, as the case may be, or if Event of Default in such payment shall have occurred on such date then to the date of the tender of such payment; provided that if any of such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or irrevocable provisions satisfactory to the Trustee shall have been duly made for the giving of such notice; provided that if the Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice.

Any moneys held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee at the direction of the University in investments qualifying as Government Bonds as of the date of purchase, the maturities or redemption dates of which shall coincide as nearly as practicable with, but not later than the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments held under this Section shall, to the extent determined from time to time by the Trustee to be in excess of the amount required to be held by it for the purposes of this Section, be

transferred at the time of such determination as provided in Section 4.05 hereof. In the event of nonpresentment as referred to in Section 4.07 hereof, the moneys held pursuant to this Section to which Section 4.07 would apply but for the release of this Trust Agreement shall be held and paid as provided for in said Section 4.07.

If any Obligations shall be deemed paid and discharged pursuant to this Section 8.02, then within 15 days after such Obligations are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Obligations are deemed paid and discharged. Such notice shall state the numbers of the Obligations deemed paid and discharged or state that all Obligations of a particular series are deemed paid and discharged, set forth a description of the obligations held pursuant to (ii) of the first paragraph of this Section 8.02 and specify any date or dates on which any of the Obligations are to be called for redemption pursuant to notice of redemption given or irrevocable provisions made for such notice pursuant to the first paragraph of this Section 8.02.

Section 8.03. Survival of Certain Provisions. Notwithstanding the foregoing, those provisions of a Series Resolution and this Trust Agreement relating to the maturity of Obligations, interest payments and dates thereof, optional and mandatory redemption provisions, credit against Mandatory Sinking Fund Requirements, exchange, transfer and registration of Obligations, replacement of mutilated, destroyed, lost or stolen Obligations, the safekeeping and cancellation of Obligations, non-presentment of Obligations, the holding of moneys in trust, repayments to the University from the Special Funds and the rights, remedies and duties of the Trustee and the Registrar in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee, the Registrar, the Authenticating Agent, Paying Agents and the Holders notwithstanding the release and discharge of the lien of this Trust Agreement. The provisions of this Article shall survive the release and discharge of this Trust Agreement.

END OF ARTICLE VIII

ARTICLE IX

MISCELLANEOUS

Section 9.01. Instruments of Holders. Any consent, request, direction, approval, objection or other instrument required by this Trust Agreement to be signed and executed by the Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Holders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner shall be sufficient for any of the purposes of this Trust Agreement, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the signature of such Person, which signature need not be acknowledged before a notary public.

(b) The fact of ownership of Obligations shall be proven by the Register maintained by the Registrar.

Nothing contained herein shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of consent of the Holder of any Obligation, which consent shall bind every subsequent Holder of the same Obligation or any Obligation issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) in respect to anything done or suffered to be done by the University, the Trustee, any Credit Support Provider or any Paying Agent or Authenticating Agent pursuant to or in reliance upon such request or consent.

Section 9.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Trust Agreement or the Obligations is intended or shall be construed to give to any Person other than the parties hereto, the University, any Credit Support Provider and the Holders of the Obligations any legal or equitable right, remedy or claim under or in respect to this Trust Agreement or any covenants, conditions and provisions herein contained; this Trust Agreement and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the University, any Credit Support Provider and the Holders of the Obligations as herein provided.

Section 9.03. Severability. In case any section or provision of this Trust Agreement, or in case any covenant, stipulation, obligation, agreement, act, or action, or part thereof, made, assumed, entered into, or taken under this Trust Agreement or any application thereof, is for any reason held to be illegal or invalid, or is at any time inoperable by reason of any law, or actions thereunder, such illegality or invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Trust Agreement or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Trust Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein, nor shall such illegality or invalidity or inoperability or any application thereof affect any legal and valid and operable application thereof from time to time, and each such section, provision, covenant, stipulation, obligation,

agreement, act or action, or part thereof, shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent from time to time permitted by law.

Section 9.04. Notices. Except as provided in Section 6.01 hereof, it shall be sufficient service or giving of any notice, request, complaint, demand or other paper if the same shall be duly mailed by first-class mail addressed to the parties hereto, at the appropriate Notice Address. The University and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. In the event first-class mail is not available, then such other form of providing such notice may be used as is approved by the Trustee for such purpose.

Section 9.05. Suspension of Mail. If because of the suspension of delivery of first class mail or, for any other reason, the Trustee shall be unable to mail by the required class of mail any notice required to be mailed by the provisions of this Trust Agreement, the Trustee shall give such notice in such other manner as in the judgment of the Trustee shall most effectively approximate the mailing thereof, and the giving of that notice in that manner for all purposes of this Trust Agreement shall be deemed to be in compliance with the requirement for the mailing thereof. Except as otherwise provided herein, the mailing of any notice shall be deemed complete upon deposit of that notice in the mail and the giving of any notice by any other means of delivery shall be deemed complete upon delivery.

Section 9.06. Extent of Covenants; No Personal Liability. No covenant, stipulation, obligation or agreement contained in this Trust Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, official, agent or employee of the University or the Board in his individual capacity, and no official executing the Obligations shall be liable personally on the Obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 9.07. No Right to Levy of Excises or Taxes. Nothing in this Trust Agreement shall be construed as giving the Holders of the Obligations, or any of them, or the Trustee, the right, and they shall have no right, to have excises or taxes levied by the General Assembly of the Commonwealth of Kentucky for the payment of Debt Service Charges.

Section 9.08. Incorporation by Reference. The 2007 General Bond Resolution is hereby incorporated in this Trust Agreement by this reference and the same, as filed with the Secretary of the Board, shall be deemed a part hereof.

Section 9.09. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the University and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Trust Agreement.

Section 9.10. Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.11. Captions. The captions or headings in this Trust Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Trust Agreement.

Section 9.12. Laws of Commonwealth Govern. This Trust Agreement shall be deemed to be an agreement made under the laws of the Commonwealth and for all purposes shall be governed by and construed in accordance with the laws of the Commonwealth.

END OF ARTICLE IX

IN WITNESS WHEREOF, the University has caused this Trust Agreement to be executed in its name and on its behalf by its Chairman; and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be executed in its name by its duly authorized officer all as of the day and year first above written.

MOREHEAD STATE UNIVERSITY

By: James H Booth
Chairman

Attest:

Carol Johnson
Secretary

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: [signature]

Title: VICE PRESIDENT

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