



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/04/2020

ORDER SPECIFYING TERMS AND CONDITIONS FOR THE ISSUANCE OF MONTGOMERY COUNTY, MARYLAND ECONOMIC DEVELOPMENT REVENUE BONDS (GEORGETOWN PREPARATORY SCHOOL PROJECT) SERIES 2020

WHEREAS, on November 10, 2020, pursuant to the Maryland Economic Development Revenue Bond Act, Sections 12-101 through 12-118 of the Economic Development Article of Annotated Code of Maryland, as Amended (the "Act"), the County Council of Montgomery County, Maryland (the "County Council"), adopted Resolution No. 19-648 (the "Resolution") providing for the issuance and sale by Montgomery County, Maryland (the "County"), as its limited obligations and not upon its faith and credit or pledge of its taxing power, of its Economic Development Revenue Bonds (Georgetown Preparatory School Project), Series 2020 (the "Bonds") and to loan the proceeds from the sale of such bonds to Georgetown Preparatory School, Incorporated (the "Borrower"), to be used for the purpose of financing, refinancing, and reimbursing the costs of the acquisition, construction and improvement of certain facilities, within the meaning of such Act (the "Facilities"), on or around the Borrower's campus at 10900 Rockville Pike, North Bethesda, Maryland, in Montgomery County, Maryland, consisting primarily of (i) financing or refinancing (or reimbursing for prior capital expenditures in connection with) the improvement, renovation and equipping of a new dormitory as well as existing dormitories and other academic facilities owned by the Borrower, which may also include capital expenditures and buildings, landscaping, structures, machinery, equipment, furnishings, or other real or personal property located on the same site, (ii) refinancing the projects originally financed with the proceeds of the County's Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility) Series 2005 (the "Series 2005 Bonds") and the County's Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility) Series 2008 (the "Series 2008 Bonds," and together with the Series 2005 Bonds, the "Refunded Bonds"), both of which were reissued on September 4, 2012, (iii) financing the termination of swap agreements between the Borrower and Truist Bank and (iv) financing all or a portion of certain costs of issuance for the Bonds, working capital expenses, and other related costs (collectively, the "Project"); and

WHEREAS, as permitted by and in accordance with the Act, the Resolution authorizes the County Executive, prior to the issuance, sale and delivery of the Bonds, by one or more executive orders or otherwise, to specify, prescribe, determine, provide for, approve, certain matters, details, forms, documents or procedures appropriate to the authorization, sale, security, issuance, delivery, or payment of or for the bonds; and

WHEREAS, the County has determined to issue and deliver the Bonds as hereinafter described.

NOW THEREFORE, BE IT ORDERED, that:

Section 1. Pursuant to and in accordance with the Act and the Resolution, the County shall issue, sell and deliver the Bonds in the aggregate principal amount of \$75,000,000 designated as "Montgomery



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/04/2020

County, Maryland Economic Development Revenue Bonds (Georgetown Preparatory School Project), Series 2020.”

Section 2. The Bonds shall be issued pursuant to the terms and conditions set forth in an Indenture of Trust dated as of December 1, 2020, between the County and Truist Bank, as Trustee in substantially the form attached hereto as Exhibit A and made a part hereof (the “Indenture”).

Section 3. The Bonds shall be issuable as registered bonds in such series, be dated the date of issuance, mature, bear interest at the rate or rates of interest, be secured, be payable in such amounts, at such times, and at such place or places and be subject to redemption and purchase prior to maturity at such price or prices and under such terms and conditions, all as set forth in the Indenture.

The Bonds shall be issued in substantially the form of the Bond attached to the Indenture as Exhibit A thereto and shall contain the terms and provisions of such form of bond, which terms and provisions are hereby incorporated by reference into and made a part of this Executive Order, and which form of bond is hereby adopted and approved as the form, tenor and substance of the Bonds.

Section 4. The net proceeds of the Bonds shall be used to finance or refinance the Project, and except to the extent paid from the proceeds of the Bonds, the Borrower shall pay amounts sufficient to pay debt service on the Bonds pursuant to the terms and provisions of a Loan Agreement dated as of December 1, 2020 between the Borrower and the Issuer in substantially the form attached hereto as Exhibit B and made a part hereof (the “Loan Agreement”).

Section 5. The Bonds will be purchased by STI Institutional & Government, Inc. (the “Lender”) pursuant to the terms of the Lender Mode Credit Agreement dated as of December 1, 2020 by and between the Lender and the Borrower in substantially the form attached hereto as Exhibit C and made a part hereof (the “Credit Agreement”).

Section 6. The Indenture, the Loan Agreement and the Credit Agreement are referred to collectively herein as the “Bond Documents.”

Section 7. The Bond Documents shall be in substantially the forms attached hereto, and the terms, provisions, form, content and substance of each of such documents in the forms so attached are hereby adopted and approved. The execution of the Bond Documents and other documents and certificates by the County Administrative Officer shall be conclusive evidence of my approval of the final terms, provisions, form, content and substance of the Bond Documents and all other documents and certificates executed and delivered in connection therewith, which shall thereupon become binding upon the County.



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/04/2020

Section 8. The Trustee is hereby appointed to act as registrar in connection with the issuance, sale, delivery and administration of the Bonds (the “Registrar”).

Section 9. The Borrower shall pay directly or cause to be paid all costs, fees and expenses incurred by or on behalf of the County in connection with the issuance, sale, delivery and administration of the Bonds including (without limitation) costs of printing and issuing the Bonds, legal expenses (including the fees of counsel to the County), and compensation to any person (other than full-time employees of the County) performing services by or on behalf of the County in connection therewith, to the extent that such costs are not paid from the proceeds of the Bonds.

Section 10. The Chief Administrative Officer and Director of Finance, and such other officers, employees, and agents of the County are hereby authorized and empowered to approve, execute, and deliver the Bond Documents and all instruments, certificates and documents in any manner deemed appropriate by the County Executive, Chief Administrative Officer, and/or Director of Finance and otherwise take any and all such action as may be necessary, proper or required to carry out the authority conferred by this Order, and to effectuate the issuance, sale and delivery of the Bonds. The Director of Finance or such other officers, officials or employees of the Issuer as the Director of Finance shall designate, shall execute and deliver such certificates or agreements as may be necessary or desirable to evidence compliance with Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), other relevant regulations, and provisions of the Code.

Section 11. This Executive Order shall take effect immediately.

[Remainder of page left intentionally blank]



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/ 04 /2020

Dated as of this 4 day of December, 2020.

A handwritten signature in black ink, appearing to read "Marc Elrich", written over a horizontal line.

Marc Elrich
County Executive
Montgomery County, Maryland

List of Exhibits

- Exhibit A – Indenture
- Exhibit B – Loan Agreement
- Exhibit C – Credit Agreement



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/04/2020

EXHIBIT A

INDENTURE

[See attached]

MONTGOMERY COUNTY, MARYLAND

and

TRUIST BANK

INDENTURE OF TRUST

Dated as of December 1, 2020

\$75,000,000

**Montgomery County, Maryland
Economic Development Revenue Bonds
(Georgetown Preparatory School Project),
Series 2020**

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
ARTICLE I	
DEFINITIONS AND RULES OF CONSTRUCTION	
Section 1.01. Definitions.	3
Section 1.02. Rules of Construction.	3
ARTICLE II	
AUTHORIZATION AND DETAILS OF ISSUER IOAN AND BONDS	
Section 2.01. Bonds Authorized.	5
Section 2.02. Interest.	5
Section 2.03. Conditions Precedent.	12
Section 2.04. Payment of Bonds.	13
Section 2.05. Execution and Authentication.	13
Section 2.06. Registration and Exchange of Bonds.	14
Section 2.07. Bonds Mutilated, Destroyed, Lost or Stolen.	15
Section 2.08. Cancellation and Disposition of Bonds.	16
Section 2.09. Book-Entry System.	16
ARTICLE III	
REDEMPTION AND PURCHASE OF BONDS	
Section 3.01. Bonds Subject to Redemption.	18
Section 3.02. Notice of Redemption.	22
Section 3.03. Redemption of Portion of Bond.	22
Section 3.04. Purchase of Bonds.	23
ARTICLE IV	
REVENUES AND FUNDS	
Section 4.01. Creation of Funds and Accounts to Be Held by Trustee.	26
Section 4.02. Construction Fund.	26
Section 4.03. Application of Proceeds of Bonds.	27
Section 4.04. Deposit of Revenues; Deposit of Certain Proceeds.	27
Section 4.05. Bond Fund.	28
Section 4.06. Investments.	29
Section 4.07. Bonds Not to Be Arbitrage Bonds; Rebate Fund.	30
Section 4.08. Home Office Payment Agreement.	31

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. Payment of Principal and Interest.	31
Section 5.02. Performance of Covenants, Undertakings and Agreements; Representations as to Authorization and Validity of Bonds.	32
Section 5.03. Enforcement of Loan Agreement.	32
Section 5.04. Liens, Encumbrances and Charges.	32
Section 5.05. Amendment of the Project.	33

ARTICLE VI

CONCERNING THE TRUSTEE

Section 6.01. Trustee Entitled to Indemnity.	33
Section 6.02. Responsibilities of Trustee.	33
Section 6.03. Evidence on which Trustee May Act.	35
Section 6.04. Compensation.	36
Section 6.05. Permitted Acts.	36
Section 6.06. Resignation of Trustee.	37
Section 6.07. Removal of Trustee.	37
Section 6.08. Successor Trustee.	37
Section 6.09. Transfer of Rights and Property to Successor Trustee.	38
Section 6.10. Merger, Conversion or Consolidation of the Trustee.	38
Section 6.11. Trustee to File Continuation Statements.	39

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default.	39
Section 7.02. Acceleration of Maturity.	40
Section 7.03. Enforcement.	41
Section 7.04. Priority of Payments following Default.	42
Section 7.05. Effect of Discontinuance of Proceedings.	43
Section 7.06. Majority of Holders May Control Proceedings.	43
Section 7.07. Restrictions upon Action by Individual Holders.	43
Section 7.08. Actions by Trustee.	44
Section 7.09. No Remedy Exclusive.	44
Section 7.10. No Delay or Omission Construed as a Waiver; Waiver of Default.	44
Section 7.11. Notice of Default.	45

ARTICLE VIII
MODIFICATION OR AMENDMENT OF INDENTURE
AND LOAN AGREEMENT

Section 8.01. Supplemental Indentures Without Consent.....	45
Section 8.02. Supplemental Indentures Requiring Consent of Holders.....	46
Section 8.03. Notation on Bonds.....	47
Section 8.04. Amendment of Loan Agreement.....	47
Section 8.05. Deemed Consent.	48

ARTICLE IX
DEFEASANCE

Section 9.01. Defeasance.	48
--------------------------------	----

ARTICLE X
MISCELLANEOUS

Section 10.01. Further Assurances.....	49
Section 10.02. Evidence of Signatures of Holders and Ownership of Bonds.....	49
Section 10.03. Preservation and Inspection of Documents.....	50
Section 10.04. Money and Funds Held for Particular Bonds.....	50
Section 10.05. No Recourse on Bonds.....	50
Section 10.06. Issuer Protected in Acting in Good Faith.....	51
Section 10.07. Assignment of Rights under Loan Agreement.....	51
Section 10.08. Severability of Invalid Provision.	51
Section 10.09. Notices.	51
Section 10.10. Other Indentures.....	53
Section 10.11. Business Days.	53
Section 10.12. Execution in Several Counterparts.....	53
Section 10.13. Maryland Law.	53

Appendix A -- Definitions
Appendix B -- Form of Bond

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of December 1, 2020 and effective from the time of execution and delivery hereof between the parties, is by and between **MONTGOMERY COUNTY, MARYLAND** (the “Issuer”), a body politic and corporate and a political subdivision of the State of Maryland and a public body within the meaning of the Act (hereinafter defined), and **TRUIST BANK**, a banking corporation organized under the laws of the State of North Carolina, as trustee (the “Trustee”).

RECITALS

The Issuer is authorized by the Maryland Economic Development Revenue Bond Act, Sections 12-101 to 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the “Act”), to issue and sell its bonds (as defined in the Act), as its limited obligations and not upon its faith and credit or pledge of its taxing power, at any time and from time to time, for the purposes of financing or refinancing any costs of the acquisition and improvement (as defined in the Act) of one or more facilities (as defined in the Act) for one or more facility users (as defined in the Act) or of refunding outstanding bonds, including the necessary expenses of preparing, printing, selling and issuing those bonds, the funding of reserves, and the payment of interest with respect to financing such acquisition and improvement in such amounts, or for such period, as the public body deems reasonable. To accomplish the acquisition and improvement of facilities from the proceeds of the sale of its bonds, a public body may lend such proceeds to one or more facility users under a loan agreement to be used to finance or refinance one or more facilities.

The Issuer has determined to issue its \$75,000,000 Economic Development Revenue Bonds (Georgetown Preparatory School Project), Series 2020 (the “Bonds”), and to loan the proceeds thereof to Georgetown Preparatory School, Incorporated, a Maryland nonstock corporation (the “Institution”), in order to (i) finance or refinance the improvement, renovation and equipping of a new dormitory as well as existing dormitories and other academic facilities owned by the Institution, (ii) refinance the projects originally financed with the proceeds of the Issuer’s Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility) Series 2005 (the “Series 2005 Bonds”) and the Issuer’s Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility) Series 2008 (the “Series 2008 Bonds”), the Series 2005 Bonds and the Series 2008 Bonds each as amended and reissued on September 4, 2012, (iii) finance the termination of swap agreements between the Institution and SunTrust Bank, predecessor in interest to Truist Bank, and (iv) finance all or a portion of certain costs of issuance for the Bonds and other related costs (collectively, the “Project”).

None of the State of Maryland, any political subdivision thereof or the Issuer shall be obligated to pay the Bonds or the interest thereon except from the Revenues (defined herein) and from other sources as provided herein, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the

Issuer is pledged to the payment of the Bonds or the interest thereon. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State of Maryland or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Issuer shall be required to pay and perform its obligations under this Indenture and the Loan Agreement only to the extent that there are Revenues of the Institution received pursuant to this Indenture, the Loan Agreement or otherwise in connection with the financing and refinancing of the Project (defined herein) pursuant to this Indenture sufficient to provide for such payment or performance.

All things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the Revenues, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

The Issuer, in consideration of the premises, of the acceptance by the Trustee of the trusts hereby created, of the purchase and acceptance of the Bonds by the purchaser(s) thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and premium, if any, and interest on, and the Purchase Price (defined herein) of, the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, sell, convey, assign and pledge, and grant a security interest in, the following to the Trustee and its successors in trust and assigns forever, for the benefit of the holders of the Bonds, subject only to the provisions of this Indenture permitting the application thereof on the terms and conditions set forth in this Indenture:

GRANTING CLAUSE FIRST

All of the right, title and interest of the Issuer in and to the Revenues and the Loan Agreement; and

GRANTING CLAUSE SECOND

All of the right, title and interest of the Issuer in and to any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same, subject in each case to the terms hereof;

TO HAVE AND TO HOLD all and singular the Trust Estate (defined herein), whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever upon the terms and trusts herein set forth, for the equal and ratable benefit, security and protection of the owners of the Bonds from time to time issued under and secured by this Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other Bonds, except as otherwise expressly provided herein; *provided*, however, that notwithstanding the pledge and assignment made hereby (i) the Issuer shall retain its rights to receive payment of its initial fee, the Annual Administrative Fees and the Administrative Expenditures (each defined herein) and any indemnity payments under the Loan Agreement and to receive the notices and give or withhold the consents required of the Issuer by the terms of the Loan Agreement and all remedies in connection therewith; and (ii) during the Lender Bond Period (defined herein), the Trustee shall not be entitled to enforce any provision of this Indenture or the Loan Agreement except upon the written direction of the Lender;

PROVIDED, HOWEVER, that if the Issuer shall well and truly pay, or cause to be paid, the principal of and premium, if any and interest on, and the Purchase Price of, the Bonds, according to the true intent and meaning thereof, or shall provide for the payment thereof as permitted by Article IX, and shall perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon compliance with Article IX, the lien of this Indenture shall be discharged and satisfied; otherwise this Indenture shall be and remain in full force and effect.

MONTGOMERY COUNTY, MARYLAND and **TRUIST BANK**, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, **DO HEREBY AGREE** as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions.

In addition to terms defined elsewhere herein, terms used in this Indenture that are defined in Appendix A shall have the meanings set forth therein, unless a different meaning clearly appears from the context.

Section 1.02. Rules of Construction.

The following rules shall apply to the construction of this Indenture unless the context shall otherwise require:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The headings and the table of contents set forth in this Indenture are solely for convenience of reference and shall not constitute a part of this Indenture or affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to a particular percentage or proportion of the holders of the Bonds shall mean the holders at the particular time of the specified percentage or proportion in aggregate principal amount of the Bonds then Outstanding under this Indenture, except any portion of the Bonds held by or for the account of the Institution or any affiliate thereof (whether or not theretofore issued and whether or not pledged to or by the Institution or affiliate to secure any indebtedness); *provided*, however, that Bonds pledged by the Institution or affiliate to secure any indebtedness may be regarded as Outstanding for the purposes of this paragraph if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds.

(f) Any reference to the Bond Fund, the Interest Account, the Principal Account, the Purchase Account, the Construction Fund, the Costs of Issuance Account or the Rebate Fund shall be to the fund or account so designated that is created under this Indenture.

(g) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture.

(h) Any reference to any particular time of day shall be to such time of day in Baltimore, Maryland.

(i) During any period other than the Lender Bond Period, the provisions of this Indenture and the Loan Agreement that relate to the Lender shall be of no force and effect.

(j) This Indenture constitutes a security agreement under the Uniform Commercial Code as in effect under the laws of the State of Maryland.

(k) The trust and trusteeship created by this Indenture shall be deemed to be one and the same trust and trusteeship for all purposes.

(l) The Trustee hereby irrevocably elects to be treated as fully secured for the purposes of any bankruptcy or insolvency proceeding involving the Issuer.

ARTICLE II

AUTHORIZATION AND DETAILS OF ISSUER LOAN AND BONDS

Section 2.01. Bonds Authorized.

There is hereby authorized the issuance of Seventy-Five Million Dollars (\$75,000,000) of revenue bonds designated “Montgomery County, Maryland Economic Development Revenue Bonds (Georgetown Preparatory School Project), Series 2020” for purposes of financing and refinancing the Project.

The Bonds shall be registered as to principal and interest and shall be in substantially the form set forth in Appendix B with such insertions, omissions or variations as may be deemed necessary or appropriate by the Authorized Officers of the Issuer executing the same and as shall be permitted by the Act. The Issuer hereby adopts the form of Bond set forth in Appendix B hereto, and all of the covenants and conditions set forth therein, as and for the form of obligation to be incurred by the Issuer. The covenants and conditions set forth in the Bonds are incorporated in this Indenture by reference and shall be binding upon the Issuer as though set forth in full herein. The Bonds may contain, or have endorsed thereon, any notations, legends or endorsements not inconsistent with the provisions of this Indenture that are necessary or desirable to meet any law or usage if approved by an Authorized Officer of the Issuer prior to the authentication and delivery thereof. The execution and delivery of the Bonds by the Issuer in accordance with this Indenture shall be conclusive evidence of the approval of the form of the Bonds by the Issuer, including any insertions, omissions, variations, notations, legends or endorsements authorized or permitted by this Indenture.

Section 2.02. Interest.

(a) General.

Payment of interest on the Bonds shall be made on each Interest Payment Date commencing on June 1, 2021, for unpaid interest accrued during the Interest Accrual Period for such payment to the holder of the Bonds as of the Record Date for the payment of such interest.

In the absence of manifest error, any determination of the Applicable Percentage and the Applicable Spread, the interest rates and the Interest Periods by the Remarketing Agent or the Calculation Agent as herein provided shall be conclusive and binding upon the Issuer, the Institution and the holders of the Bonds. If any Calculation Agent shall resign, the Issuer, upon the written direction of the Institution, shall appoint a successor and shall give written notice thereof to the Trustee, whereupon the Trustee shall give notice of the successor to the Lender and the other Notice Parties.

(b) Term Rates.

The Bonds shall bear interest at the Initial Term Rate during the Initial Term Rate Period. Interest on the Bonds in a Term Rate Mode shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Term Rate borne by the Bonds in any Term Rate Period after the Initial Term Rate Period, except as provided in (j) below, shall be the rate of interest per annum determined by the Remarketing Agent on the Rate Determination Date for such Interest Period to be the minimum rate that, in the judgment of the Remarketing Agent, would result in a sale of such Bonds at a price equal to the principal amount thereof on such Rate Determination Date, plus interest, if any, accrued thereon as of the first day of such Interest Period. The Remarketing Agent shall make the Term Rate available by Electronic Means on the Rate Determination Date for such Term Rate Period to the Issuer, the Institution, the Lender, the Trustee and any other Notice Party requesting such rate.

(c) Index Floating Rates.

Interest on the Bonds during any Index Floating Rate Period shall be calculated on the basis of the actual number of days elapsed in a year of (i) 360 days during any Index Floating Rate Period in which the Index is LIBOR (subject to any Adjustments in connection with a Replacement Index Floating Rate), and (ii) 365 or 366 days (as the case may be) during any other Index Floating Rate Period.

The Index Floating Rate borne by Index Floating Rate Bonds shall be determined by the Calculation Agent on each Rate Determination Date and shall be equal to (i) the sum of (a) the Index *plus* (b) the Applicable Spread multiplied by (ii) the Applicable Percentage.

If at any time the Index or rate used to determine an Index Floating Rate is not reported by the relevant source at the time necessary for determination of such Index Floating Rate or otherwise ceases to be available, the Issuer or its independent financial advisor (as applicable) shall determine a replacement or substitute Index Floating Rate (as applicable), including any Replacement Index Floating Rate and any Adjustments (provided that the Trustee has been provided with an Approving Opinion prior to the effectiveness of a Replacement Index Floating Rate), and promptly provide the same via Electronic Means to the Calculation Agent, the Institution and the Trustee, together with the effective date of the substitute or replacement Index Floating Rate.

The Calculation Agent shall give notice of each Index Floating Rate (including any Replacement Index Floating Rate and any Adjustments), by Electronic Means not later than one Business Day following the date of determination thereof to the Issuer, the Institution, the Lender, the Trustee and any other Notice Parties requesting such rate.

On or prior to the first day of each Index Floating Rate Period, the Index, the Applicable Percentage, the Applicable Spread, or the Replacement Index Floating Rate

and any Adjustments, if applicable, shall be determined by the Remarketing Agent. The Remarketing Agent shall give notice thereof on the date of determination thereof by Electronic Means to the Issuer, the Institution, the Trustee, the Lender and any other Notice Parties requesting such notice.

(d) Daily Rates and Weekly Rates.

Interest on the Bonds in the Daily Mode or the Weekly Mode shall be calculated on the basis of a 365 or 366-day year (as the case may be) for the actual number of days elapsed. On or prior to any Mode Change Date after which the Bonds will bear interest at the Daily Rate or the Weekly Rate, the Alternate Rate for Bonds in the Daily Mode or the Weekly Mode shall be determined by the Remarketing Agent. The Remarketing Agent shall give notice thereof on the date of determination thereof by Electronic Means to the Issuer, the Institution, the Lender, the Trustee and any other Notice Parties requesting such notice.

The interest rate borne by the Bonds in the Daily Mode or Weekly Mode during each Interest Period shall be the rate of interest per annum determined by the Remarketing Agent on the Rate Determination Date for such Interest Period as the minimum rate of interest that, in the judgment of the Remarketing Agent, under then-existing market conditions, would result in the sale of all Bonds in such Mode at a price equal to the principal amount thereof, plus interest, if any, accrued through the Rate Determination Date.

The Daily Rate for any day during the Daily Mode which is not a Business Day shall be the Daily Rate established on the immediately preceding Rate Determination Date. The Remarketing Agent shall make the Daily Rates borne by the Bonds available no less frequently than once each week by Electronic Means to the Issuer, the Institution, the Lender, the Trustee and any other Notice Party requesting such rates and by telephonic or Electronic Means to any Beneficial Owner of Bonds in the Daily Mode requesting such rates.

Each Weekly Rate shall be in effect during the Weekly Rate Period for which such Weekly Rate was established. The Remarketing Agent shall make the Weekly Rate available not later than the Business Day following the Rate Determination Date by Electronic Means to the Issuer, the Institution, the Trustee and any other Notice Party requesting such rate and by telephonic or Electronic Means to any Beneficial Owner of Bonds in the Weekly Mode requesting such rate.

(e) Flexible Rates and Interest Periods during Flexible Mode.

Interest on the Bonds in a Flexible Mode shall be calculated on the basis of a 365 or 366-day year (as the case may be) for the actual number of days elapsed. On or prior to any Mode Change Date after which the Bonds will bear interest at the Flexible Rate, the Alternate Rate for Bonds in the Flexible Mode shall be determined by the Remarketing Agent. The Remarketing Agent shall give notice thereof on the date of

determination thereof by Electronic Means to the Issuer, the Institution, the Lender, the Trustee and any other Notice Parties requesting such notice.

Each Interest Period for the Bonds in the Flexible Mode shall be of a duration of one to 270 calendar days, ending on a day preceding a Business Day or the Maturity Date. On each Rate Determination Date for a Flexible Rate Bond, the Remarketing Agent shall select for the Bonds the Interest Period which in the Remarketing Agent's judgment should result in the lowest average interest cost for all Flexible Rate Bonds; *provided*, however, that if the Remarketing Agent has received notice from the Issuer upon the Request of the Institution that the Interest Periods for any principal amount of Flexible Rate Bonds shall not extend beyond a particular date as set forth in such Notice, the Remarketing Agent shall select Interest Periods which do not extend beyond such date for Bonds in such principal amount. The Flexible Rate borne by each Flexible Rate Bond during each Interest Period shall be the rate of interest per annum determined by the Remarketing Agent to be the lowest rate that would result in the Remarketing Agent being able to remarket the Bonds at par in the secondary market.

By 1:00 p.m. on each Rate Determination Date with respect to Bonds in the Flexible Mode, the Remarketing Agent shall determine the Flexible Rates and Interest Periods for the Bonds. The Remarketing Agent shall make the Flexible Rates and Interest Periods established for the Bonds available on the Rate Determination Date by Electronic Means to the Issuer, the Institution, the Lender, the Trustee and any other Notice Party requesting such information and by telephone or Electronic Means to the Beneficial Owner of the Bonds.

(f) **Fixed Rates.**

Interest on the Bonds in a Fixed Rate Mode shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Fixed Rate borne by the Bonds converted to the Fixed Rate Mode shall be the interest rate per annum determined by the Remarketing Agent on the Rate Determination Date to be the minimum interest rate that, in the judgment of the Remarketing Agent, will result in a sale of such Bonds at a price equal to the principal amount thereof on the Rate Determination Date, plus interest, if any, accrued to the first day of the Fixed Rate Period. The Remarketing Agent shall make the Fixed Rate available by Electronic Means on the Rate Determination Date to the Issuer, the Institution, the Lender, the Trustee and any other Notice Party requesting such rate. The Fixed Rate so established shall remain in effect until the Maturity Date of the Bonds.

(g) **Alternate Rates.**

The Bonds shall bear interest at the Alternate Rate from and after the date an event described in clause (i), (ii), (iii) or (iv) below occurs until such time as the Remarketing Agent or the Calculation Agent (as the case may be) again makes the determinations described therein or, in the case of clause (iv), money sufficient to pay the Purchase Price of all Bonds tendered for purchase is available: (i) the Remarketing Agent or the Calculation Agent (as the case may be) fails or is unable to determine the interest

rate or, in the case of Flexible Rate Bonds, the Interest Period for the Bonds, (ii) the method by which the Remarketing Agent or the Calculation Agent (as the case may be) determines the interest rate or, in the case of Flexible Rate Bonds, the Interest Period for the Bonds shall be held to be unenforceable by a court of competent jurisdiction, (iii) the Remarketing Agent suspends its remarketing effort with respect to Daily Rate Bonds, Weekly Rate Bonds or Flexible Rate Bonds and a replacement Remarketing Agent is not appointed or (iv) money sufficient to pay the Purchase Price of Daily Rate Bonds, Weekly Rate Bonds or Flexible Rate Bonds on any Purchase Date applicable to such Bonds is not available.

(h) Changes in Mode, Term Rate Periods or Index Floating Rate Periods.

(i) The Issuer, upon the written direction of the Institution, may direct the Trustee to effect a change in the Mode, Term Rate Period or Index Floating Rate Period with respect to all or a portion of the Bonds by following the procedures set forth in this Section. Following receipt of any such Request, the Trustee shall appoint a Remarketing Agent approved by the Institution. If the Mode, the Term Rate Period or the Index Floating Rate Period will be applicable to a portion (but not all) of the Bonds the Trustee shall take such actions as shall be requested by the Issuer or the Institution, if any, to distinguish the portion of the Bonds in one Mode from the portion of the Bonds in a different Mode or the portions of the Bonds having different Term Rate Periods or Index Floating Rate Periods, respectively, which may include (without limitation) assigning different designations to different portions of the Bonds or creating sub-series of Bonds.

(ii) The Trustee shall give Notice of the Issuer's intention to effect a change in the Mode, the Term Rate Period or the Index Floating Rate Period to the Lender at least 25 days before each proposed Mode Change Date (or such shorter period as may be acceptable to the Lender), specifying the change and, in the case of any change to a Long-Term Mode, the Interest Payment Dates. The Trustee shall give notice thereof to the Holders of the Bonds affected thereby not later than the 20th day before the Mode Change Date. Such notice shall state: (A) the Mode Change Date; (B) except in the case of a change from the Daily Mode to the Weekly Mode or from the Weekly Mode to the Daily Mode, that such Bonds will be subject to mandatory purchase on the Mode Change Date and the Purchase Price of such Bonds; (C) if the Book-Entry System is not in effect, information with respect to the required delivery of the Bonds and payment of Purchase Price; and (D) that such change is subject to certain conditions and that, if such conditions are not satisfied, such Bonds shall not be subject to mandatory purchase on the proposed Mode Change Date (unless such date would have been a Mandatory Purchase Date without regard to the proposed change) and such Bonds shall remain in the same Mode with interest rates and Interest Periods established in accordance with the foregoing provisions of this Section as if the Issuer had not given notice of its intention to effect such change. Notwithstanding the foregoing, no Mode Change Notice need be given for a Mode Change Date occurring on the first Business Day following the last day of a Flexible Rate Period, Index Floating Rate Period or Term Rate Period.

(iii) Each Mode Change Date shall be:

(A) in the case of a change from the Flexible Mode or the Term Rate Mode, a date that would be a Mandatory Purchase Date applicable to such Bonds without regard to such change;

(B) in the case of a change from the Daily Mode or Weekly Mode, a Business Day; and

(C) in the case of a change from the Index Floating Rate Mode or in the Index Floating Rate Period, a day on which such Bonds are otherwise subject to redemption.

(iv) No change in the Mode, the Index Floating Rate Period or Term Rate Period shall be effected unless on or prior to the Mode Change Date funds sufficient to pay the Purchase Price of all Bonds required to be purchased on such Mode Change Date shall be available to the Trustee for the payment thereof on the proposed Mode Change Date.

(v) Notwithstanding anything herein to the contrary, prior to any proposed Mode Change Date, the Institution may direct the Issuer to rescind any election by it to change the Mode, Index Floating Rate Period or Term Rate Period applicable to any Bonds by giving Notice thereof to the Lender and the Trustee, whereupon the Trustee shall give prompt notice thereof to the other Notice Parties and the holders affected thereby.

(vi) If any condition described in subsection (iii) above is not satisfied or the Institution directs the Issuer to rescind its election to change the Mode, the Index Floating Rate Period or Term Rate Period applicable to any Bonds, then such change shall not take effect, such Bonds shall not be subject to mandatory purchase on the proposed Mode Change Date (unless such date would have been a Mandatory Purchase Date without regard to the proposed change) and such Bonds shall remain in the same Mode with interest rates and Interest Periods established in accordance with the foregoing provisions of this Section as if the Institution had not directed the Issuer to give notice of its intention to effect such change.

(vii) If fewer than all of the Bonds in any single Mode or to which any single Index Floating Rate Period or Term Rate Period is then applicable are to be changed, then the Trustee shall select the Bonds to be changed as shall be directed in writing by the Institution or, in the absence of such direction, by lot or in such other manner as the Trustee in its discretion may deem proper.

(i) **Automatic Establishment of Term Rate Period and Index Floating Rate Periods.**

If on or prior to the last day of any Index Floating Rate Period or Term Rate Period, the Institution has not directed the Issuer to elect to establish a new Index Floating Rate Period or Term Rate Period or to change the Mode applicable to the Bonds

in accordance with subsection (h) above or subsection (k) below, a new Index Floating Rate Period shall be deemed to have been established for the Bonds having the same number of whole years as the Interest Period then ending if such Interest Period was shorter than five years and otherwise having five years (or such fewer number of years as shall remain until the maturity date of the Bonds, and a new Index Floating Rate, shall be determined as provided in subsection (b) or (c) above, respectively. Not less than 20 days before the last day of any Index Floating Rate Period or Term Rate Period, the Institution shall appoint a Remarketing Agent approved by the Lender.

(j) Negotiated Rate.

Prior to any Mandatory Purchase Date with respect to the Bonds, during the Lender Bond Period, the Institution may request the Lender to provide indicative terms upon which the Holder of the Bonds would be willing to retain the Bonds on such Mandatory Purchase Date. A copy of any such request shall be provided to the Issuer. The Lender shall make reasonable efforts to provide to the Issuer and the Institution Notice of its decision as to whether the Holder is willing to retain such Bond on such Mandatory Purchase Date and the proposed interest rate and Interest Period within 30 days of receiving such request or such additional number of days as shall be acceptable to the Institution. In the event the Lender for any reason fails to definitively respond to such request within such period, the Holder shall be deemed to have refused to retain such Bond on such Mandatory Purchase Date. If the Institution agrees to the terms proposed by the Lender, then the Issuer, the Institution and the Lender shall execute such documents as shall be necessary to give effect to such terms.

(k) Default Rate.

Notwithstanding the foregoing, during the Lender Bond Period, upon the occurrence and during the continuance of an Event of Default hereunder or under the Loan Agreement, the interest payable on the Bonds shall be increased to the Default Rate.

(l) Changes in Bond Terms.

In addition to changes otherwise permitted by this Indenture, upon the written Request of the Institution, the Issuer may change the terms of the Bonds, *provided* that prior to the effective date of any such change, there shall be delivered by the Issuer to the Lender and the other Notice Parties, a Notice of the Issuer setting forth the change and an Approving Opinion. Notwithstanding the foregoing, no change in the terms of the Bonds pursuant to this Section shall become effective unless (i) during the Lender Bond Period, there shall have been delivered to the Issuer and the Trustee the written consent of the Lender, or (ii) during any other period, Notice of such change has been given by the Trustee to the holders of the Bonds at least 20 days before the effective date and, during any period in which the Bonds bear interest at a Flexible Rate, the Index Floating Rate or a Term Rate, the effective date of such change is not earlier than the immediately succeeding Mandatory Purchase Date applicable to the Bond.

(m) **Interest Rates Conclusive and Binding.**

The determination of the Term Rate, the Index, the Applicable Percentage, the Applicable Spread, the Daily Rates, the Weekly Rates, the Fixed Rate and any Alternate Rate by the Remarketing Agent for any Interest Period and the determination of the Index Floating Rate by the Calculation Agent for each Index Floating Rate Period in accordance with this Indenture shall be conclusive and binding upon the Issuer and the Institution, absent manifest error. If for any reason an interest rate is not determined for the Bonds for any Interest Period, the Bonds shall bear interest at the last rate determined for the Bonds as herein provided.

(n) **Event of Taxability.**

Upon the occurrence of an Event of Taxability during the Initial Term Rate Period, interest thereafter during such Initial Term Rate Period shall accrue on the Bonds at the Taxable Rate and the Lender shall receive upon demand:

(i) an amount equal to the difference, if any, between (A) the amount of interest that accrued on the Bonds at the Initial Term Rate for the period from the commencement of the Taxable Period to the date on which interest began to accrue on the Bonds at the Taxable Rate, and (B) the amount of interest that would have accrued during such Taxable Period at the Taxable Rate, and

(ii) an amount equal to any interest and penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Lender as the result of the occurrence of an Event of Taxability.

Section 2.03. Conditions Precedent.

The Bonds shall be executed by the Issuer and delivered to the Trustee, whereupon the Trustee shall authenticate and deliver the Bonds upon the Order of the Issuer, but only upon delivery to the Trustee of each of the following:

(i) an Order of the Issuer, directing the authentication and delivery of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee;

(ii) a counterpart of this Indenture executed by the parties hereto;

(iii) a counterpart of the Loan Agreement executed by the parties thereto; and

(iv) an Opinion of Counsel delivered by Bond Counsel to the effect that (A) this Indenture and the Loan Agreement have been duly authorized, executed and delivered by the Issuer and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute valid and binding obligations of the Issuer; (B) the Issuer is duly authorized and entitled to issue the Bonds; (C) the Bonds have been

duly executed by the Issuer; and (D) interest on the Bonds is excludable from federal and Maryland income taxation.

Section 2.04. Payment of Bonds.

During the Initial Term Rate Period, the principal amount of the Bonds shall be payable in annual installments on December 1 of each year, beginning on December 1, 2023, in the amounts set forth on Exhibit C to the Lender Mode Credit Agreement. During any other Interest Period or Mode, principal on the Bonds shall be repaid on the dates and in the amounts determined at the time of conversion of the interest rate on the Bonds to the applicable Mode for such Interest Period. All principal of and accrued interest on the Bonds shall be payable on the Maturity Date of the Bonds, subject to mandatory and optional purchase and redemption prior to maturity as provided herein. For the avoidance of doubt, no Prepayment Premium shall be payable in respect of any scheduled principal installments required under the Lender Mode Credit Agreement.

Except as otherwise provided in any Supplemental Indenture, the principal or Redemption Price of and interest on, and the Purchase Price of, the Bonds shall be payable in lawful money of the United States of America.

Section 2.05. Execution and Authentication.

The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of its County Executive and Director of Finance and sealed with the Issuer's seal (or a facsimile thereof), attested by the manual or facsimile signature of the Clerk of the County Council.

In case any officer whose manual or facsimile signature appears on any Bond shall cease to be such officer before delivery of such Bond, such signature shall, nevertheless, be valid and sufficient for all purposes as if such officer had remained in office until such delivery, and the manual or the facsimile signature of any person who shall have been at the time the proper officer to sign such Bond shall be valid notwithstanding the fact that such person may not have been such officer on the date of such Bond or that such person may have ceased to be such officer at the time when such Bond is actually authenticated and delivered.

Bonds so executed shall be delivered to the Trustee for authentication by it, and the Trustee shall authenticate and deliver such Bonds as herein provided and not otherwise.

No Bond shall be valid or obligatory for any purpose or entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a certificate of authentication in substantially the form set forth in Appendix B to this Indenture, duly executed by the Trustee. Such certificate of authentication of the Trustee upon any Bond executed on behalf of the Issuer shall be conclusive evidence and the only evidence required that the Bond so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture. The certificate of the Trustee may be executed by any authorized signatory of the Trustee.

Section 2.06. Registration and Exchange of Bonds.

The Bonds shall be negotiable instruments for all purposes and shall be transferable by delivery, subject only to the provisions for registration and registration of transfer endorsed on the Bonds.

The Issuer shall cause books for registration and the registration of transfer of Bonds to be prepared by the Trustee. The registration books shall be kept by the Trustee. The Issuer, the Institution and the Trustee may deem and treat the person in whose name the Bonds are registered as the absolute owner thereof (whether or not the Bonds shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer or the Trustee) for the purpose of receiving payment of or on account of the principal of the Bonds, and for all other purposes, and none of the Issuer, the Institution or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum so paid, effectual to satisfy and discharge the liability for money payable upon the Bonds.

The Lender shall give the Issuer, the Institution and the Trustee prior Notice of its intention to transfer Bonds. The Lender shall not transfer the Bonds without the written consent of the Institution *provided*, however, that the Lender may transfer all or any portion of the Bonds without the consent of the Institution so long as the transferee is (i) an affiliate of the Lender or (ii) a trust or custodial arrangement in which the Lender or an affiliate of the Lender provides credit and liquidity support.

Subject to the foregoing provisions of this Section, Bonds may be transferred only upon surrender of the Bonds to the Trustee at its Designated Office, whereupon the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for the Bonds new Bonds in principal amount equal to the unpaid principal amount of the Bonds so surrendered upon reimbursement to the Issuer or the Trustee of an amount equal to any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall cancel all Bonds surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of such cancelled Bonds in accordance with its current procedures.

Except while Bonds are held under the Book-Entry System with the Securities Depository, the Lender may, at any time and from time to time, sell, assign, transfer, participate or negotiate all or any portion of its right to receive payment on any Bond to any other lender or affiliate, without expense to the Issuer or the Institution, and without the consent of the Issuer, *provided* that the Lender shall continue to be the holder of the Bond, with the right to enforce the rights of the Lender under this Indenture, and the assignee, transferee or participant, as the case may be, shall not have the right to enforce any of the provisions of this Indenture.

If any Bond shall be surrendered to the Trustee for transfer or exchange in accordance with the provisions of such Bond, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds bearing

interest at the same rate and of any Authorized Denomination, in aggregate principal amount equal to the principal amount of the Bond so surrendered, upon payment of any tax or other governmental charge to which the Issuer or the Trustee is entitled in accordance with such Bond.

The Trustee shall not register the transfer of any Bond (a) during any period other than a Lender Bond Period in which any Long-Term Interest Period is applicable to such Bond, during the 15 days preceding the date of mailing of any notice of redemption or purchase of Bonds in the same Mode or (b) at any time (i) after a notice of the redemption or purchase of such Bond or any portion thereof has been mailed, (ii) prior to the Purchase Date for any Bond after a Tender Notice with respect to such Bond has been received by the Trustee or (iii) prior to the Mandatory Purchase Date after a Mandatory Purchase Notice has been mailed, in each case unless the transferee acknowledges in writing to the satisfaction of the Trustee the matters contained in such notice.

Section 2.07. Bonds Mutilated, Destroyed, Lost or Stolen.

If any Bond shall become mutilated or be destroyed, lost or stolen, the Issuer in its discretion may execute, and upon its Request the Trustee shall authenticate and deliver, a new Bond in exchange for the mutilated Bond, or in lieu of and substitution for the Bond so destroyed, lost or stolen.

In every case of exchange or substitution, the applicant shall furnish to the Issuer and the Trustee such security or indemnity as may be required by them to save each of them harmless from all risks, however remote, and the applicant shall also furnish to the Issuer and the Trustee evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer or the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, costs and expenses, of the Issuer or the Trustee. If any Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, instead of issuing a Bond in exchange or substitution therefor, the Issuer may pay or authorize the payment of such Bond (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and the Trustee such security or indemnity as they may require to save them harmless, and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

Every Bond issued pursuant to the provisions of this Section in exchange or substitution for any Bond that is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with any and all other Bonds duly issued under this Indenture. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or

remedies, notwithstanding any law or statute existing on the date of this Indenture or thereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.08. Cancellation and Disposition of Bonds.

All mutilated Bonds, all Bonds surrendered for exchange or transfer, all Bonds that have been paid at maturity or upon prior redemption and all Bonds surrendered to the Trustee for cancellation shall be canceled by the Trustee and, unless otherwise directed by the Issuer cremated, shredded or destroyed by other means in accordance with applicable laws and regulations and the Trustee's applicable policies and procedures. Upon the Request of the Issuer and the Institution, the Trustee shall deliver to the Issuer and the Institution a Certificate confirming such cancellation and identifying the particular Bonds so cremated, shredded or otherwise destroyed.

Section 2.09. Book-Entry System.

The provisions of this Section shall apply to the Bonds so long as the Bonds shall be maintained under the Book-Entry System with The Depository Trust Company or any other Securities Depository for such Bonds appointed pursuant to this Section, or their successors, any other provisions of this Indenture to the contrary notwithstanding.

The principal or Redemption Price of and interest on, and the Purchase Price of, the Bonds shall be payable to the Securities Depository, or registered assigns, as the registered owner of the Bonds, on each date on which the principal or Redemption Price of or interest on, or the Purchase Price of, the Bonds becomes due. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Trustee in writing. Without notice to or the consent of the Beneficial Owners of the Bonds, the Trustee and the Securities Depository may agree in writing to make payments in a manner different from that set out herein. In such event, the Trustee shall make payments with respect to the Bonds in the manner specified in such agreement as if set forth herein. Neither the Issuer nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate payments to any participant of any Securities Depository (a "Participant") or the Beneficial Owners of the Bonds or their nominees.

In the event that part but not all of any outstanding Bond is to be retired (by redemption, by acceleration or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 3.03 upon presentation and surrender of such Bond to the Trustee or (ii) shall make appropriate notation on the Bond certificate indicating the date and amount of each principal payment, provided that payment of the final principal amount of any Bond shall be made only upon presentation and surrender of such Bond to the Trustee.

So long as the Securities Depository or its nominee is the registered owner of the Bonds, the Issuer and the Trustee will recognize the Securities Depository or its nominee, respectively, as the holder of all of the Bonds for all purposes, including (without

limitation) the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, the Bonds, the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the holders of the Bonds under this Indenture.

The Issuer, in its discretion, at any time may replace any Securities Depository as the depository for the Bonds with another qualified securities depository or discontinue the maintenance of the Bonds under a Book-Entry System upon 30 days' notice to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository). A copy of any such notice shall be delivered promptly to the other Notice Parties.

If the Issuer discontinues the maintenance of the Bonds under the Book-Entry System, the Issuer will issue Bonds of the same series, having the same maturity date and bearing interest at the same rate directly to the Participants or, to the extent requested by any Participant, to the Beneficial Owners of Bonds as further described in this Section. The Issuer shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Issuer in its discretion, that it will issue the Bonds directly to the Participants or, to the extent requested by any Participant, to Beneficial Owners of the Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that the Bonds are to be issued to Participants or to Beneficial Owners of the Bonds, the Issuer shall promptly have prepared Bonds in certificated form registered in the names of the Participants as shown on the records of the Securities Depository provided to the Trustee or, to the extent requested by any Participant, in the names of the Beneficial Owners of the Bonds shown on the records of such Participant provided to the Trustee, as of the date set forth in the notice delivered in accordance with this paragraph.

If the Issuer replaces any Securities Depository as the depository for the Bonds with another qualified Securities Depository, the Issuer will issue to the replacement Securities Depository Bonds having the same maturity date and bearing interest at the same rate registered in the name of such replacement Securities Depository.

Each Securities Depository and the Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agrees that the Issuer and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any Beneficial Owner of the Bonds, nor shall the Issuer or the Trustee be liable for the failure of any Participant or other nominee of any Beneficial Owner of any the Bonds to perform any obligation that such Participant or other nominee may incur to any Beneficial Owner of the Bonds.

ARTICLE III

REDEMPTION AND PURCHASE OF BONDS

Section 3.01. Bonds Subject to Redemption.

(a) Optional Redemption

(i) Optional Redemption of Bonds during Initial Term Rate Period.

During the Initial Term Rate Period, the Bonds are subject to redemption at the option of the Issuer upon the written direction of the Institution, in whole or in part on any date, at a Redemption Price of 100% of the principal amount thereof, plus accrued and unpaid interest thereon, and any applicable Prepayment Premium; provided however that no Prepayment Premium shall be payable in connection with any optional redemption required under the Lender Mode Credit Agreement to provide for principal amortization.

During the Initial Term Rate Period and any other Lender Bond Period, upon prior written notice by the Institution to the Issuer and the Trustee, the Bonds shall be subject to redemption, in whole or part, on such dates and in such amounts as may be required or permitted in accordance with the requirements of the Lender Mode Credit Agreement, upon payment of any applicable Prepayment Premium and satisfaction of any other conditions set forth in the Lender Mode Credit Agreement.

During the Initial Term Rate Period, “Prepayment Premium” shall mean the present value of the difference between (A) the amount that would have been realized by the Lender on the prepaid or converted amount during the period from the redemption date or conversion date, as applicable, through the Lender Purchase Date at the ICE Benchmark Administration (the “IBA”) rate for fixed-rate payers in U.S. Dollar interest rate swaps for such period, interpolated to the nearest month, if necessary, that was in effect three Business Days prior to the date of issuance of the Bond, and (B) the amount that would be realized by the Lender by reinvesting an amount equal to the principal amount of the Bond prepaid or converted during the period from the redemption date or conversion date, as applicable, through the Lender Purchase Date at the IBA Index for rates for fixed-rate payers in U.S. Dollar interest rate swaps, interpolated to the nearest month, that was in effect three Business Days prior to the redemption date; in each case discounted at the same interest rate utilized in determining the amount determined in accordance with this clause (B). If the present value has no value or a negative value, the Institution may prepay or direct the conversion to another Mode with no Prepayment Premium. If the IBA no longer releases rates for fixed-rate payers in U.S. Dollar interest rate swaps, then the Lender may substitute another comparable index for fixed-payers in U.S. Dollar interest rate swaps as reasonably determined by the Lender for the IBA Index, Notice of which shall be provided to the Issuer and the Institution. The Lender shall provide the Institution and the Issuer with a written statement explaining the

calculation of the Prepayment Premium due, which statement shall, in absence of manifest error, be conclusive and binding.

(ii) Optional Redemption of Bonds in the Index Floating Rate Mode, Term Rate Mode or the Fixed Rate Mode.

(A) Bonds in an Index Floating Rate Period or Term Rate Period shall be subject to redemption at the option of the Issuer by written direction of the Institution, in whole or in part, on any Mandatory Purchase Date applicable to such Bonds, at a price equal to the principal amount thereof.

(B) Bonds in the Index Floating Rate Period, Term Rate Period or Fixed Rate Period also shall be subject to redemption prior to maturity at the option of the Issuer upon the written direction of the Institution on such dates and at such Redemption Prices as shall be determined by the Remarketing Agent on or before the first day of such Index Floating Rate Period, Term Rate Period or Fixed Rate Period, respectively, as would enable the Remarketing Agent to sell such Bonds on the date of determination at a price equal to the principal amount thereof, plus accrued interest, if any, thereon, and satisfaction of such other conditions as may be set forth in the Lender Mode Credit Agreement for any Bonds converting from a Lender Bond Period, including payment of any required Prepayment Premium.

(iii) Optional Redemption of Bonds in Daily Mode or Weekly Mode.

Bonds in the Daily Mode or the Weekly Mode shall be subject to redemption at the option of the Issuer by written direction of the Institution, in whole or in part on any date, at a price equal to the principal amount thereof, plus accrued interest, if any, thereon to the redemption date.

(iv) Optional Redemption of Flexible Rate Bonds.

Bonds in the Flexible Mode shall be subject to redemption at the option of the Issuer by written direction of the Institution, in whole or in part, on any Purchase Date applicable to such Bonds, at a price equal to the principal amount thereof.

(v) Purchase or Refinancing of Bonds on Lender Purchase Date.

The Institution may request the Lender to extend the Lender Purchase Date for an additional five-year period, not later than 120 days prior to such Lender Purchase Date (as such date theretofore may have been extended as provided herein). The Lender agrees that it will, no later than 90 days prior to such Lender Purchase Date provide to the Issuer and the Institution written notice of its decision (with a copy to the Trustee), in its sole and absolute discretion, as to whether to extend such Lender Purchase Date and, if it shall agree to such extension, the new Lender Purchase Date. The Lender shall have no obligation to grant any such extension. If the Lender for whatever reason fails to agree to any extension or to provide any such notice, then such Lender Purchase Date shall continue to be the Lender Purchase Date then in effect. The failure of the Institution to

cause the Bonds to be purchased or refinanced on any Lender Purchase Date shall constitute an Event of Default under the Indenture and the Loan Agreement.

(vi) **Partial Redemption of Bonds.**

The amount of any partial optional redemption of the Bonds (other than scheduled optional redemptions required pursuant to a Lender Mode Credit Agreement, as set forth in Section 2.04), shall be applied to principal installments due thereunder in the inverse order of maturity.

(vii) **Purchase in Lieu of Redemption.**

In lieu of redeeming any Bonds on any date on which such Bonds shall be called for redemption at the option of the Issuer upon the written direction of the Institution pursuant to this subsection (a), the Institution shall have the right to purchase such Bonds or cause such Bonds to be purchased at a price equal to the Redemption Price that would be payable if such Bonds were redeemed on such date, plus accrued interest thereon to the date set for redemption, provided that during the Initial Term Rate Period, any such purchase must be for all of the Bonds and shall not be applicable for a partial redemption. Anything in this Indenture to the contrary notwithstanding, the Bonds shall not be deemed to have been released, paid or discharged pursuant to the Indenture upon any purchase of the Bonds on a Mode Change Date or Lender Purchase Date.

(b) **Extraordinary Redemption.**

The Bonds are subject to redemption prior to maturity at any time, as a whole or in part, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, at the option of the Issuer upon the Request of the Institution upon the occurrence of any of the following events:

(i) if title to, or the permanent use of, or use for a limited period of, substantially all of the New Improvements or the Facilities is condemned or the subject of an agreement with, or action by, a public authority in the nature of or in lieu of condemnation proceedings; or

(ii) if the Institution's title to substantially all of the New Improvements or the Facilities is found to be deficient to the extent that the efficient utilization thereof by the Institution is substantially impaired; or

(iii) substantially all of the New Improvement or the Facilities are damaged or destroyed by fire or other casualty.

For the purposes of this subsection, "substantially all" shall mean either substantially total damage to or destruction of, or loss or impairment of title to or use of, the New Improvements or the Facilities, as applicable, or damage to or destruction of, or loss or impairment of title to or use of, such a portion of the Core Property that the ability of the

Institution to operate the New Improvements or the Facilities for the purposes for which they are operated on the date of this Indenture is substantially impaired.

(c) Sinking Fund Redemptions.

Upon termination of the Initial Term Rate Period or any other Lender Bond Period or otherwise in conjunction with the conversion of the interest rate on the Bonds from one Mode to another Mode, if so directed by the Institution, the Issuer shall, by notice given to the Trustee at the same time and in the same manner as the notice of conversion is given, elect that after the conversion date (i) the Bonds may be converted to have one or more Stated Maturities (as defined below), maturing sequentially in consecutive years, or (ii) all or a portion of the Bonds may be converted to one or more term bonds subject to mandatory sinking fund redemption, with principal installments due sequentially in consecutive years; provided, however, that the principal amount of any Bond due either at a Stated Maturity or on a mandatory sinking fund payment date shall be in an Authorized Denomination; provided, further, that prior to electing any combination of (i) and (ii) above the Issuer shall obtain an Approving Opinion. For purposes of this paragraph “Stated Maturity” shall mean, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

(d) Redemption Subject to Deposit of Funds.

Any redemption of Bonds shall be subject to the deposit of funds with the Trustee (or during a Lender Interest Rate Period, delivery of funds to the Lender pursuant to the Lender Mode Credit Agreement) sufficient to pay the Redemption Price of such Bonds on or before the redemption date by or on behalf of the Issuer by written direction of the Institution.

(e) Change of Redemption Provisions During Interest Rate Period.

At the Request of the Institution, the Issuer may change the dates and prices at which any Bonds are subject to redemption during any period other than a Fixed Rate Period then in effect by delivering to the Trustee and the Remarketing Agent a Notice setting forth the new redemption provisions, *provided* that no such change shall become effective with respect to any Bond unless (i) at least 20 days’ Notice of such change has been given to the holder of such Bond, (ii) if such Bond is in a Lender Bond Period, the Lender has consented in writing to such changes, and (iii) if such Bond is in the Index Floating Rate Mode, Flexible Mode or Term Rate Mode (other than any such Mode during a Lender Bond Period), the effective date of such change is not earlier than the immediately succeeding Mandatory Purchase Date applicable to such Bond.

(f) Selection of Bonds to Be Redeemed.

The Trustee shall select Bonds for redemption as directed in writing by the Institution or, in the absence of such direction, by lot or in such other manner as the

Trustee in its discretion may deem proper; *provided*, however, that (i) the portion of any Bond remaining outstanding after any redemption shall be in an Authorized Denomination; and (ii) in selecting Bonds for redemption, each Bond in a denomination greater than the smallest Authorized Denomination shall be considered to be that number of Bonds as is equal to the largest integral multiple of such denomination that is not more than the principal amount of such Bond.

Section 3.02. Notice of Redemption.

At the Request of the Institution on behalf of the Issuer, the Trustee shall give notice of the Issuer's election to redeem Bonds in accordance with Section 3.01(a); provided however that no Prepayment Premium shall be payable in connection with any optional redemption required under the Lender Mode Credit Agreement to provide for principal amortization. Each such notice from the Institution to the Trustee shall be given at least 15 days before the date the Trustee is required to provide notice to the bondholders (or such fewer days as acceptable by the Trustee). The Trustee shall select the Bonds to be redeemed and give notice in the name of the Issuer of the redemption of such Bonds. Notwithstanding the foregoing, no notice of the redemption of Bonds on any Mandatory Purchase Date applicable to such Bonds shall be required to be given.

Each notice of redemption shall be given in the name of the Issuer and mailed by the Trustee to the holders of the Bonds to be redeemed at least 20 days before the redemption date and shall set forth: (i) the date fixed for redemption; (ii) the Redemption Price to be paid; (iii) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed; (iv) any conditions to such redemption; and (v) that on the date fixed for redemption, if all conditions, if any, to such redemption have been satisfied, there shall become due and payable upon all Bonds to be redeemed the Redemption Price thereof, together with interest accrued to the date fixed for redemption, and that, from and after such date, interest thereon shall cease to accrue. If any Bond is to be redeemed in part only, the notice of redemption that relates to such Bond shall state also that on or after the date fixed for redemption, upon surrender of such Bond to the Trustee, the holder will be entitled to a new Bond bearing interest at the same rate and of any Authorized Denomination in principal amount equal to the portion of the principal amount of such Bond that shall not have been redeemed.

The failure to duly mail any notice to Holders required by this Section or any defect in such mailing will not affect the validity of any proceedings for the redemption of any Bonds.

Section 3.03. Redemption of Portion of Bond.

In case part but not all of a Bond shall be selected for redemption, upon request of the owner of such Bond and upon the presentation and surrender of such Bond to the Trustee for payment of the principal amount thereof so called for redemption, the Issuer shall execute and the Trustee shall authenticate and deliver to or upon the order of the owner of such Bond, without charge therefor, a Bond bearing interest at the same rate and

of any Authorized Denomination in principal amount equal to the portion of the principal amount of the Bond so surrendered that shall not have been redeemed.

Section 3.04. Purchase of Bonds.

(a) Optional Tenders of Bonds in Daily Mode or Weekly Mode.

The holders of Bonds in the Daily Mode or Weekly Mode may elect to have their Bonds or portions thereof purchased on any Business Day at a price equal to the Purchase Price, upon delivery of a Tender Notice to the Remarketing Agent and the Trustee by the Tender Notice Deadline (*provided* that the portion of each Bond remaining outstanding after such purchase shall each be equal to an Authorized Denomination for such Bond). Immediately upon receipt of a Tender Notice, the Remarketing Agent shall notify the Institution thereof by Electronic Means.

(b) Mandatory Purchase on Mandatory Purchase Dates.

Bonds shall be subject to mandatory purchase on each Mandatory Purchase Date applicable to such Bonds. The Trustee shall mail notice of each Mandatory Purchase Date to the holders of the Bonds subject to mandatory purchase not less than 20 days prior to such Mandatory Purchase Date, *provided* that no notice need be given of any Mandatory Purchase Date occurring at the end of any Index Floating Rate Period, Flexible Rate Period or Term Rate Period applicable to such Bonds. Each such notice shall state (i) the Mandatory Purchase Date, (ii) the Purchase Price, (iii) if fewer than all of the Bonds are to be purchased, the numbers of the Bonds to be purchased, and (iv) that interest on such Bonds shall cease to accrue from and after the Mandatory Purchase Date. The failure to mail any such notice shall not affect the validity of the mandatory purchase of any Bond subject to mandatory purchase in accordance with this Indenture. Any notice mailed will be conclusively presumed to have been given, whether or not actually received by any holder or Beneficial Owner.

(c) Remarketing of Bonds; Notices.

(i) Remarketing of Bonds.

The Remarketing Agent shall use its best efforts to offer for sale:

(A) all Bonds or portions thereof as to which a Tender Notice has been given; and

(B) all Bonds required to be purchased on a Mandatory Purchase Date.

(ii) Notice of Remarketing Results; Registration Instructions; New Bonds.

On each Purchase Date:

(A) the Remarketing Agent shall notify by Electronic Means the Trustee and the Institution by 12:00 noon of the principal amount of tendered Bonds that it has remarketed;

(B) the Remarketing Agent shall notify the Trustee by Electronic Means not later than 1:00 p.m. of the names of the purchasers of the remarketed Bonds and such information as may be necessary to register the Bonds and shall provide registration instructions (*i.e.*, the names, addresses and taxpayer identification numbers of the purchasers and the desired Authorized Denominations) with respect thereto;

(C) the Remarketing Agent shall cause the remarketing proceeds to be paid to the Trustee in immediately available funds not later than 12:15 p.m. on the Purchase Date for such Bonds;

(D) if there is not on deposit in the Purchase Account by 12:30 p.m. the full amount required to pay the Purchase Price of all Bonds required to be purchased on such Purchase Date, the Trustee shall immediately make demand on the Institution for the payment of the amount of the deficiency; and

(E) if the Bonds are not in the Book-Entry Only System, the Issuer shall execute and the Trustee shall authenticate new Bonds for the purchaser thereof which shall be available for pick-up by the Remarketing Agent not later than 2:30 p.m.

(d) **Payment of Purchase Price of Bonds.**

By 3:00 p.m. on each Purchase Date applicable to the Bonds, the Trustee shall pay the Purchase Price of the Bonds from amounts on deposit in the Purchase Account by wire transfer in immediately available funds.

(e) **Delivery of Bonds.**

On each Purchase Date applicable to a Bond, such Bond shall be delivered as follows:

(i) Bonds sold by the Remarketing Agent shall be delivered by the Remarketing Agent to the purchasers of such Bonds by 3:00 p.m.; and

(ii) Bonds purchased with amounts paid by or on behalf of the Institution shall be registered to or upon the Order of the Institution or its nominee. Bonds so registered shall continue to be outstanding under the terms of this Indenture and be subject to all of the terms and conditions of this Indenture and shall be subject to remarketing by the Remarketing Agent.

(f) **Tender and Payment under Book-Entry System.**

(i) The provisions of this subsection shall apply to the Bonds during any period in which the Bonds are held under a Book-Entry System, notwithstanding any other provision of this Section. All tenders for purchase and payment of the Purchase Price of Bonds on the Purchase Dates shall be subject to the terms and conditions set forth in the representation letter between the Issuer and the Securities Depository and to any regulations promulgated by the Securities Depository. For so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), the tender option rights of Holders of Bonds may be exercised only by DTC by giving notice of its election to tender Bonds or portions thereof at the times and in the manner described above. Beneficial Owners will not have any rights to tender Bonds directly to the Trustee. Procedures under which a Beneficial Owner may direct a Direct Participant of DTC, or an Indirect Participant of DTC acting through a Director Participant of DTC, to exercise a tender option right in respect of Bonds or portions thereof in an amount equal to all or a portion of such Beneficial Owner’s beneficial ownership interest therein shall be governed by standing instructions and customary practices determined by such Direct Participant or Indirect Participant. For so long as the Bonds are registered in the name of Cede & Co., as nominee for DTC, delivery of Bonds required to be tendered for purchase on any Purchase Date shall be effected by the transfer on such Purchase Date of a book-entry credit to the account of the Trustee of a beneficial interest in such Bonds. There shall be no requirement of physical delivery to or by the Trustee of any Bonds subject to mandatory or optional purchase as a condition to the payment of the Purchase Price therefor. None of the Issuer, the Trustee or the Remarketing Agent shall have any responsibility for paying the Purchase Price of any tendered Bond or for remitting remarketing proceeds to any Beneficial Owner.

(g) **No Book-Entry System.**

During any period in which the Bonds shall not be held under the Book-Entry System, the following procedures shall be followed:

(i) Bonds shall be delivered (with all necessary endorsements) at or before 12:00 noon on the Purchase Date at the Designated Office of the Trustee; *provided*, however, that payment of the Purchase Price of any Bond tendered at the option of the holder shall be made pursuant to this Section only if the Bond so delivered conforms in all respects to the description thereof in the Tender Notice.

(ii) If a Bond to be purchased is not delivered by the Owner to the Trustee by 12:00 noon on the date on which such Bond is to be purchased, the Trustee shall hold any funds received for the purchase of such Bond in the Purchase Account in trust uninvested and without liability for interest and shall pay such funds to the former holder of such Bond upon presentation of such Bond. The former holder of such undelivered Bond shall cease to be entitled to receive interest accruing on such Bond after such Purchase Date and money representing the Purchase Price shall be available against delivery of such Bond at the Designated Office of the Trustee. The Trustee shall

authenticate a replacement Bond for any undelivered Bond which may then be remarketed by the Remarketing Agent.

(iii) The Trustee shall hold all Bonds properly tendered to it for purchase hereunder as agent and bailee of, and in escrow for the benefit of, the respective holders of the Bonds which shall have so tendered such Bonds until money representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such holders.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01. Creation of Funds and Accounts to Be Held by Trustee.

A Bond Fund, including an Interest Account and a Principal Account, a Rebate Fund and, if the Bonds shall be converted to the Daily Mode, Weekly Mode or Flexible Mode, a Purchase Account, shall be created for the Bonds and shall be held and maintained by the Trustee in trust under this Indenture. For the purposes of internal accounting, the accounts created pursuant to this Section may contain one or more sub-accounts, as the Issuer shall direct in writing.

Pending the application of amounts on deposit in the Interest Account and Principal Account of the Bond Fund as provided in this Indenture, such amounts are hereby pledged to the payment of the principal of and interest on all Outstanding Bonds. Amounts on deposit in the Rebate Fund are not pledged to the payment of any Bonds. The amounts on deposit in the Purchase Account are pledged and assigned to the payment of the holders of the Bonds purchased or to be purchased with such amounts.

Section 4.02. Construction Fund.

(a) The Construction Fund, including a Costs of Issuance Account, is hereby created and shall be held and maintained by the Trustee in trust under this Indenture. For the purposes of internal accounting, the Construction Fund may contain one or more additional accounts and subaccounts, as the Issuer shall direct in writing. Pending the application of amounts on deposit in the Construction Fund as provided in this Indenture, such amounts are hereby pledged to the payment of the principal of and interest on all Outstanding Bonds.

(b) The Trustee shall pay from the Costs of Issuance Account to the persons entitled thereto the costs of issuance of the Bonds not otherwise paid or caused to be paid or provided for by the Institution. Any amounts on deposit in the Costs of Issuance Account not required for the payment of costs of issuance shall be transferred to the Construction Fund by the Trustee upon the Request of the Institution.

(c) Prior to any disbursements of Bond proceeds from the Construction Fund to pay for costs of the New Improvements, the Institution shall satisfy such conditions for disbursement as may be set forth in the Lender Mode Credit Agreement, including the satisfaction of any equity contribution requirement. Upon Lender's approval of the satisfaction of such requirements, funds on deposit in the Construction Fund which constitute proceeds of the Bonds shall be applied to the Costs of the Project. Payments by the Trustee pursuant to this Section shall be paid in accordance with written requisitions in the form required under the Lender Mode Credit Agreement) signed by an Authorized Officer of each of the Lender and the Institution, which shall state the name of the payee, the purpose of each payment in terms sufficient for identification and the amount of such payment and shall be supported by paid invoices or other evidence acceptable to the Lender that the amount requisitioned has been paid or is then due and payable. Upon written certification by the Institution to the Issuer and the Trustee that the Project is complete, the Trustee shall transfer from the Construction Fund to the Bond Fund any remaining amounts in the Construction Fund that are not needed for Costs of the Project.

Section 4.03. Application of Proceeds of Bonds.

The proceeds of the Bonds shall be received by the Trustee on behalf of the Issuer in trust for the holders from time to time of the Bonds subject to and in accordance with the terms and conditions of this Indenture. Upon the receipt of the proceeds of the issuance of the Bonds, the Trustee shall deposit such proceeds into the Construction Fund and (a) apply such proceeds to the redemption of the Series 2005 Bonds and the Series 2008 Bonds (as such terms are defined in Appendix B to the Loan Agreement), to payment of swap termination payments, and to payment of such other Costs as may be approved by the Lender, (b) shall deposit funds needed to pay costs of issuance of the Bonds to the Cost of Issuance Account, and (c) retain the balance of such proceeds in the Construction Fund, all in accordance with the written direction of the Institution approved by the Lender.

Section 4.04. Deposit of Revenues; Deposit of Certain Proceeds.

(a) Any Revenues received by the Issuer pursuant to the Loan Agreement shall be promptly paid over or caused to be paid over by the Issuer to the Trustee. Subject to the provisions of Section 7.04, money received by the Trustee shall be transferred, immediately upon receipt thereof, as follows and in the following order of priority:

FIRST: to the Interest Account, the amount equal to the interest becoming due on the Bonds on the immediately succeeding Interest Payment Date or such lesser amount as shall be required to make the amount on deposit in the Interest Account equal to the interest becoming due on the outstanding Bonds on the immediately succeeding Interest Payment Date;

SECOND: to the Principal Account, the amount required to make the amount on deposit therein equal to the principal of outstanding Bonds becoming due on the immediately succeeding due date for the payment thereof; and

THIRD: to the Issuer, the Annual Administrative Fee and Administrative Expenditures not otherwise paid or provided for by the Institution, as certified to the Trustee by the Issuer.

(b) The Trustee shall deposit the principal amount of any loan prepayments made by the Institution in accordance with Article VII of the Loan Agreement in the Principal Account and the accrued interest thereon in the Interest Account on the date of receipt thereof.

(c) The Trustee shall deposit in the Purchase Account upon receipt the proceeds of the remarketing of Bonds by the Remarketing Agent and all amounts paid by the Institution to the Trustee for the payment of all or any portion of the Purchase Price of Bonds on the Purchase Dates.

(d) The Trustee shall deliver to the Institution and the Issuer as soon as practicable a notice specifying the amounts becoming due on the Bonds on the immediately succeeding Interest Payment Date; *provided*, however, that the failure of the Trustee to deliver such notice or any defect in such notice shall not relieve the Issuer from any of its obligations hereunder or the Institution from any of its obligations under the Loan Agreement.

Section 4.05. Bond Fund.

(a) On each Interest Payment Date, on the redemption date of any Bonds, on the Maturity Date and on any date on which the due date for the payment of the principal amount of the Bonds shall be accelerated in accordance with Section 7.02, the interest due on such Bonds on such date shall be paid by the Trustee from amounts on deposit in the Interest Account.

(b) On each Purchase Date, the Purchase Price of Bonds required to be purchased on such date shall be paid by the Trustee from amounts on deposit in the Purchase Account.

(c) On each date on which the principal or Redemption Price of any Bonds becomes due and payable, such principal or Redemption Price shall be paid by the Trustee from amounts on deposit in the Principal Account.

(d) Notwithstanding the foregoing provisions of this Section, the Trustee shall hold all amounts deposited in the Bond Fund in separate segregated subaccounts therein according to the source of the money so deposited and when the Trustee is required to apply any money on deposit in the Bond Fund to the payment of Bonds, money from the following sources shall be applied in the following order of priority:

FIRST: (but only with respect to payments of the Purchase Price of the Bonds) from remarketing proceeds deposited in the Purchase Account; and

SECOND: from any other money on deposit in the Bond Fund.

(e) Notwithstanding the foregoing provisions of this Section, payment of principal of and interest on the Bonds during any Lender Bond Period shall be made by the Institution directly to the holders of the Bonds.

Section 4.06. Investments.

Money in any of the funds and accounts established pursuant to this Indenture shall be invested by the Trustee as shall be directed in writing by the Institution; *provided*, however, that the Institution shall direct the Trustee to invest such money only in Investment Obligations.

Interest earned, profits realized and losses suffered by reason of any investment of the funds and accounts established hereunder shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made.

The Institution and the Trustee may sell or redeem any obligations in which money shall have been invested as in this Section provided to the extent necessary to provide cash in the respective funds or accounts, to make any payments required to be made therefrom or to facilitate the transfers of money between various funds and accounts as may be required or permitted from time to time pursuant to the provisions of this Article.

In computing the value of the assets of any fund or account established hereunder, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at current market value.

Neither the Trustee nor the Issuer shall be liable for any depreciation in the value of any obligations or securities in which money of the funds or accounts created by this Indenture shall be invested as aforesaid, or for any loss arising from any investment permitted hereby. The investments authorized by this Section shall at all times be subject to the provisions of applicable law, as amended from time to time. The Institution shall direct the investment of money in the funds and accounts under this Indenture in only in Investment Obligations and the Issuer and the Trustee shall not be responsible for such determination.

The Trustee shall conclusively rely upon the Institution's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such investments. In the absence of written investment instructions from the Institution, the Trustee shall invest

the money held by it hereunder in Investment Obligations described in clause (h) of the definition thereof in Appendix A.

Broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered or made available by the Trustee.

Section 4.07. Bonds Not to Be Arbitrage Bonds; Rebate Fund.

An Authorized Officer of the Issuer shall be an official of the Issuer responsible for issuing the Bonds (the “Section 148 Certifying Official”). The Section 148 Certifying Official shall execute and deliver (on the date of the issuance of the Bonds) a Certificate of the Issuer (as it may be amended and supplemented from time to time in accordance with this Section, being referred to herein as a “Section 148 Certificate”) that complies with the requirements of Section 148 of the Code or any successor to such Section in effect on the date of issuance of such Bonds (“Section 148”). The Issuer shall set forth in such Section 148 Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any moneys, securities or other obligations that may be deemed to be proceeds of the Bonds within the meaning of Section 148 (collectively, “Bond Proceeds”).

The Issuer covenants that (i) the facts, estimates and circumstances set forth in the Section 148 Certificate will be based on the Issuer’s reasonable expectations on the date of delivery of such Certificate and will be, to the best of the Section 148 Certifying Official’s knowledge, true, correct and complete as of that date, and (ii) the Section 148 Certifying Official will make reasonable inquiries to ensure such truth, correctness and completeness.

The Issuer further covenants that it will not make (to the extent it exercises control or direction) any use of the Bond Proceeds that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148. The Issuer further covenants that it will comply with those provisions of Section 148 that are applicable to the Bonds on the date of issuance of such Bonds and with those provisions of Section 148 that may subsequently be lawfully made applicable to the Bonds. To the extent that provisions of Section 148 apply only to a portion of the Bonds, it is intended that the covenants of the Issuer contained in this Section be construed so as to require the Issuer to comply with Section 148 only to the extent of such applicability.

The Trustee, upon the written direction of the Issuer or the Institution, shall make timely payment, but only from the Revenues and any other monies received by the Trustee and deposited into the Rebate Fund, of any rebate amount or payment in lieu thereof (or installment of either) required to be paid to the United States of America in order to preserve the excludability from gross income, for federal income tax purposes, of interest paid on the Bonds and shall include with such payment such other documents, certificates or statements provided by the Issuer or the Institution as shall be required to be included therewith under then-applicable law and regulations. Upon the written direction of the Issuer or the Institution, the Trustee shall transfer amounts (i) on deposit

in any fund or account created under this Indenture to the Rebate Fund or (ii) on deposit in the Rebate Fund to pay rebate or if not needed for rebate purposes, to any fund or account created under this Indenture.

The Section 148 Certifying Official may execute an amendment or supplement to the Section 148 Certificate upon delivery to the Issuer of an Approving Opinion of Bond Counsel.

Neither the Issuer nor the Trustee shall incur any liability in connection with any action as contemplated herein so long as the Issuer and the Trustee act in good faith.

Section 4.08. Home Office Payment Agreement.

For so long as the Bonds bear interest at the Initial Term Rate, the Issuer acknowledges that all amounts payable to the Lender with respect to any Bond held by the Lender (including, without limitation, the Purchase Price upon a Mandatory Purchase Date) shall be made to the Lender (without any presentment thereof, except upon payment of the final installment of principal, and without any notation of such payment being made thereon) in such manner or at such address in the United States as may be designated by the Lender in writing to the Trustee and the Institution. Any payment made in accordance with the provisions of this Section shall be accompanied by sufficient information to identify the source and proper application of such payment. The Lender shall promptly notify the Issuer and the Trustee in writing of any failure of the Institution to make any payment of principal or interest on the Bonds when due, and the Issuer and the Trustee shall not be deemed to have any notice of such failure unless it has received such notice in writing; receipt of notice of non-payment received under this Section 4.08 shall not in and of itself require any action on the part of the Issuer or the Trustee. If any Bonds are sold or transferred, the Lender shall promptly notify the Issuer, the Trustee and the Institution in writing of the name and address of the transferee, and it will, prior to delivery of such Bonds, make a notation on such Bonds of the date to which interest has been paid thereon and of the amount of any prepayments made on account of the principal thereof. So long as this Section is in effect as to any Bond, the Trustee shall have no obligations as paying agent in respect to such Bond, nor shall it be obligated to collect loan payments, pursuant to the Loan Agreement, or to take any other action in respect thereof, except at the express written direction of the Holders of all Outstanding Bonds.

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. Payment of Principal and Interest.

The Issuer shall pay or cause to be paid the principal or Redemption Price of and interest on, and the Purchase Price of, every Bond on the date, at the place and in the manner provided herein and in the Bonds; *provided*, however, that the Bonds are special obligations of the Issuer the principal or Redemption Price of and interest on which, and

the Purchase Price of which, are payable solely from the Trust Estate. The Bonds shall be secured by a lien on and pledge of the Trust Estate.

The Bonds and the interest thereon shall not be payable from the general funds or taxing powers of the Issuer and shall not constitute a legal or equitable pledge of, or lien or encumbrance upon, any of the assets or property of the Issuer or upon any of its income, receipts or revenues, except as provided in this Indenture. The faith and credit or the taxing power of the State or any political subdivision thereof, including the Issuer are not pledged, either expressly or by implication, for the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, the Bonds.

Section 5.02. Performance of Covenants, Undertakings and Agreements; Representations as to Authorization and Validity of Bonds.

The Issuer shall faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Loan Agreement and each Bond executed, authenticated and delivered under this Indenture and in any proceedings of the Issuer pertaining thereto.

The Issuer represents and covenants that: (i) it is duly authorized under the Constitution and laws of the State of Maryland, particularly the Act, to issue the Bonds , to enter into the Loan Agreement and to pledge the Revenues in the manner and to the extent set forth in this Indenture; (ii) all action on its part for the issuance of the Bonds has been duly and effectively taken; and (iii) the Bonds in the hands of the holders thereof are and will be valid and binding special obligations of the Issuer according to their terms.

Section 5.03. Enforcement of Loan Agreement.

During any period other than the Lender Bond Period, the Issuer shall take reasonable action to cause the Institution to perform fully all duties and acts and comply fully with the covenants of the Institution contained in the Loan Agreement.

The holders of a majority of the Bonds shall have the right, by an instrument in writing executed and delivered to the Issuer, to direct in writing the method and place of conducting all remedial proceedings to be taken by the Issuer under the Loan Agreement, *provided* that such direction shall not be otherwise than in accordance with law or the provisions of the Loan Agreement and shall not be unjustly prejudicial to holders of Bonds not parties to such direction.

Section 5.04. Liens, Encumbrances and Charges.

The Issuer has not heretofore assigned its interest in the Trust Estate. The Issuer shall not create and, to the extent Revenues are received from the Institution for the discharge thereof, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate. To the extent Revenues or other money is received from the Institution therefor and the Institution is cooperative with the Issuer, the Issuer will cause to be

discharged, or will make adequate provisions to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands that, if unpaid, might by law become a lien upon any portion of the Trust Estate; *provided*, however, that nothing contained in this Section shall require the Issuer to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Section 5.05. Amendment of the Project.

Nothing contained in this Indenture shall be construed to prohibit the Issuer from exercising its judgment and discretion in consenting to any amendment of the Project.

ARTICLE VI

CONCERNING THE TRUSTEE

Section 6.01. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Holders of the Bonds against any and all costs and expenses, outlays and counsel fees, costs and expenses and other reasonable disbursements, and against all liability. The Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee shall be reimbursed for all costs and expenses, outlays and counsel fees, costs and expenses and other reasonable disbursements properly incurred in connection therewith, from amounts deposited in the Funds and Accounts held by the Trustee under this Indenture.

Section 6.02. Responsibilities of Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of the Issuer or the Institution (as the case may be) and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds or in respect of the security intended to be afforded by this Indenture, and the Trustee shall incur no liability in respect thereof. Except as otherwise provided herein, the Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Bonds for value; (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any money, including (without limitation) the proceeds of the Bonds, paid out by the Trustee so long as such payment is in accordance with the provisions of this Indenture; (iv) the use and application of money received by any paying agent; (v) determining whether the interest payable on the Bonds is excludable from gross income for federal or State of Maryland income taxation or maintaining any such tax-exemption; (vi) any information, statement or recital in any

official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee; or (vii) compliance with any state or federal securities laws in connection with the Bonds. The Trustee is not acting as an investment advisor to the Issuer or the Institution.

The Trustee agrees to perform the duties imposed upon the Trustee under this Indenture and the Loan Agreement. The duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Loan Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture or the Loan Agreement and no implied covenants and obligations shall be read into this Indenture or the Loan Agreement against the Trustee. The permissive right of the Trustee to do things enumerated in this Indenture and the Loan Agreement shall not be construed as a duty. The Trustee shall have no duty to review or analyze any financial statements delivered to it or to verify the accuracy thereof and shall hold such financial statements solely as a repository for the benefit of the Bondholders and the Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed therein in any manner.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or co-trustees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian, receiver or co-trustees appointed.

The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Indenture or the Loan Agreement, except for its own negligence or willful misconduct.

Anything in this Indenture or in the Loan Agreement to the contrary notwithstanding, in no event shall the Trustee be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture or the Loan Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including (without limitation) acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authorities or governmental action; it being understood that the Trustee shall use commercially reasonable efforts that are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 6.03. Evidence on which Trustee May Act.

The Trustee may rely conclusively, and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant reasonably believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to the validity, sufficiency, genuineness or accuracy of any statements contained or matters referred to in any such instrument.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any person of notice of the provisions hereof except as expressly required by this Indenture or the Loan Agreement.

Except as otherwise provided in this Indenture, any request, notice, certificate or other instrument from the Issuer or the Institution to the Trustee shall be deemed to have been signed by the proper party if signed by an Authorized Officer of the Issuer or the Institution, as the case may be, and the Trustee may accept and conclusively rely upon a request, notice, certificate or other instrument signed by an Authorized Officer (i) of the Issuer, as to any action taken by the Issuer and (ii) of the Institution, as to any action taken by the Institution. In the event of any dispute or question as to the construction of any of the provisions of this Indenture or the Loan Agreement or the Trustee's duties hereunder or thereunder, the Trustee may consult with counsel, who may or may not be Bond Counsel or counsel to the Issuer or the Institution, and the opinion of such counsel with respect to matters of law shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, unless other evidence in respect thereof be hereby specifically prescribed, such matter may be deemed to be conclusively proved and established by a Certificate of the Issuer or the Institution (as the case may be). Such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

In the event of any disagreement between any of the parties to this Indenture, or between any of them and any other person, resulting in adverse claims or demands being made in connection with the matters covered by this Indenture, or in the event that the Trustee, in good faith, be in doubt as to what action it should take hereunder, the Trustee may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists,

and in any such event, the Trustee shall not be or become liable in any way or to any person for its failure or refusal to act, and the Trustee shall be entitled to continue so to refrain from acting until (i) the rights of all interested parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjudged and all doubt resolved by agreement among all of the interested persons, and Trustee shall have been notified thereof in writing signed by all such persons. Notwithstanding the foregoing, the Trustee may in its discretion obey the order, judgment, decree or levy of any court, whether with or without jurisdiction, or of any agency of the United States or any political subdivision thereof, or of any agency of the State of North Carolina or of any political subdivision thereof, and the Trustee is hereby authorized in its sole discretion, to comply with and obey any such orders, judgments, decrees or levies. The right of the Trustee under this sub-paragraph are cumulative of all other rights which it may have by law or otherwise.

In the event that any controversy should arise among the parties with respect to this Indenture or the Loan Agreement, or should the Trustee resign and the parties fail to select another Trustee to act in its stead, the Trustee shall have the right to institute a bill of interpleader in any court of competent jurisdiction to determine the rights of the parties.

Section 6.04. Compensation.

Unless otherwise provided by contract with the Trustee, the Institution shall pay to the Trustee, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Trustee, together with all of its reasonable expenses, charges, counsel fees, costs and expenses and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder. The Trustee shall be indemnified by the Institution for, and shall be held harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on the Trustee's part, arising directly or indirectly out of or in connection with the acceptance or administration of the trust created by this Indenture, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it. If the Trustee shall fail to receive any payment to which it is entitled for services rendered hereunder, the Trustee upon at least five days' Notice to the Issuer may make such payments from any money in its possession under the provisions of this Indenture, and shall have a lien therefor which shall be prior to any of the Bonds Outstanding hereunder.

Section 6.05. Permitted Acts.

The Trustee and its affiliates and their directors, officers, employees or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds

and may join in any action that any Holder may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository for or in any other capacity with respect to, the Issuer or any committee formed to protect the rights of Holders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not such committee shall represent the Holders of a majority of the Bonds Outstanding.

Section 6.06. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not less than 30 days' Notice to the other Notice Parties and each of the Holders. Such resignation shall take effect upon the appointment of a successor Trustee and the acceptance of such appointment by such successor.

Section 6.07. Removal of Trustee.

The Trustee may be removed at any time (i) so long as no Event of Default shall have occurred and be continuing, by the Issuer and the Institution by filing with the Trustee an instrument signed by an Authorized Officer of the Issuer, or (ii) if any Event of Default shall have occurred and be continuing, the Lender or the holders of a majority of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by the Lender or such holders, respectively, or by their attorneys-in-fact, duly authorized and delivered to the Issuer, the Trustee and the Institution. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer, the Institution or of the Holders of not less than 10% of the Bonds. Such removal shall take effect upon the appointment of a successor Trustee and the acceptance of such appointment by such successor.

Section 6.08. Successor Trustee.

In case the Trustee shall resign, be removed, be dissolved, become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee shall be appointed by (i) so long as no Event of Default shall have occurred and be continuing, the Issuer, or (ii) if any Event of Default shall have occurred and be continuing, the Lender or the holders of a majority of the Bonds.

If in a proper case no appointment of a successor shall be made within 45 days after the giving by the Trustee of notice of resignation in accordance with Section 6.06 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, at the expense of the Institution, or any Holder may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint a successor.

Any successor appointed under the provisions of this Section shall be a commercial bank having trust powers or a trust company chartered under the laws of any state of the United States or a national banking association organized under the laws of the United States having trust powers, in each case that has capital and surplus aggregating at least \$50,000,000, if there be such a bank or trust company or national banking association willing and able to accept the appointment on reasonable and customary terms and authorized by law to perform all the duties required by this Indenture.

Each successor Trustee shall give notice of its appointment to the other Notice Parties and each of the Holders.

Section 6.09. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of this Indenture shall execute, acknowledge and deliver to its predecessor, the Issuer and the Institution a written instrument of acceptance of such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all money, estates, properties, rights, immunities, powers, duties, obligations and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on Request of the Issuer at the written direction of the Institution or of such successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers and trusts of such Trustee and all the right, title and interest of such Trustee in and to the Trust Estate and shall pay over, assign and deliver to such successor any money or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor for more fully and certainly vesting in and confirming to it any such money, estates, properties, rights, powers, duties or obligations, any and all such deeds, conveyances and instruments in writing shall be executed, acknowledged and delivered by the Issuer on request and so far as may be authorized by law.

Section 6.10. Merger, Conversion or Consolidation of the Trustee.

Any company or association into which the Trustee may be merged or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee, without any further act, deed or conveyance, *provided* that such company shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 6.08.

Section 6.11. Trustee to File Continuation Statements.

The Trustee shall file or cause to be filed, at the expense of the Institution, such continuation statements as may be required by the Maryland Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interests in such items of tangible or intangible personal property and any fixtures as may have been granted pursuant to this Indenture or the Loan Agreement in the time, place and manner required by the UCC. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), or the accuracy or sufficiency of any description of collateral in any such initial filing, and unless the Trustee shall have been notified by the Issuer, the Institution or the Lender in writing that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in conclusively relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default.

Each of the following events is hereby declared to constitute an Event of Default hereunder:

(a) payment of the principal or Redemption Price of or interest on, or the Purchase Price of, any Bond shall not be made when the same shall have become due and payable, either at maturity, by proceedings for redemption, upon any Purchase Date, upon any acceleration or otherwise, provided, however, during the Initial Term Rate Period and any other Lender Bond Period, the failure to make such payment shall not constitute an Event of Default hereunder if such payment is made within five days of the date on which the same is due and payable as herein provided (or such longer period of time as may be set forth in a Lender Mode Credit Agreement then in effect with respect to Bonds in a Lender Bond Period); or

(b) the Issuer shall default in any material respect in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Issuer to be performed, which default shall continue for 60 days after Notice specifying such default and requiring the same to be remedied shall have been given to the Issuer and the Institution by (i) during the Lender Bond Period, the Lender and (ii) during any other period, the Trustee; *provided* however, that if the Issuer or the Institution shall proceed to take any curative action that, if begun and prosecuted with due diligence, cannot be completed within a period of 60 days, then such period shall be increased to such extent as shall be necessary to enable the Issuer to complete such curative action through the exercise of due diligence; or

- (c) the occurrence of any Event of Default under the Loan Agreement.

The provisions of paragraph (b) of this Section are subject to the following limitations: If by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State of Maryland, or any department, agency, political subdivision or official thereof, or any civil or military authority, insurrections, riots, infection, pandemics or epidemics (including corona virus), landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery or transmission pipes, partial or entire failure of utilities, or any cause or event not reasonably within the control of the Issuer, the Issuer is unable in whole or in part to carry out its agreements referred to in paragraph (c) of this Section, the Issuer shall not be deemed in default during the continuance of such inability. The Issuer shall use all commercially reasonable efforts to remedy with all reasonable dispatch the cause preventing it from carrying out its agreements, *provided*, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Issuer, and the Issuer shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party when such course is, in the judgment of the Issuer, unfavorable to the Issuer. Any failure of the Issuer to perform its obligations under Section 3.02 upon any notice or lapse of time or both provided in this Section shall constitute an Event of Default regardless of the reason for such failure to perform.

A default under any other resolution of the Issuer or trust agreement to which the Issuer is a party or in respect of any other bonds of the Issuer shall not be or constitute a default under this Indenture.

Section 7.02. Acceleration of Maturity.

(a) Upon the happening and continuance of any Event of Default, during the Lender Bond Period upon the written direction of the Lender, and during any other Interest Rate Period upon the written direction of no less than the Holders of not less than a majority of the Bonds, the Trustee shall, by a notice in writing to the Issuer and the Institution, declare the principal of all of the Outstanding Bonds to be due and payable. Upon the giving of notice of such declaration, such principal and interest, and during the Initial Term Rate Period, the Prepayment Premium, shall become and be immediately due and payable, anything in the Bonds or in this Indenture to the contrary notwithstanding. Upon any such declaration of acceleration, if money for the payment of the principal of and accrued interest on the Bonds are held by the Trustee, interest on the Bonds shall cease to accrue.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee, may by Notice to the Issuer and the Institution, annul such declaration and its consequences; *provided*, however, that such declaration may be annulled by the Trustee only with the written

consent of the Holders of not less than a majority of the Bonds if such declaration has been made upon the Request of the Holders of not less than a majority of the Bonds. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

(c) Nothing in this Section shall be construed to prohibit the Institution from taking any action, to the extent permitted by applicable law, to remedy any Event of Default.

(d) Notwithstanding the foregoing provisions of this Section, during the Lender Bond Period, the Trustee may not declare the principal amount of the Bonds to be due and may not annul any such declaration without the consent of the Lender.

Section 7.03. Enforcement.

If any Event of Default occurs, during the Lender Bond Period, upon the written direction of the Lender, the Trustee shall proceed, and during any other period, the Trustee may proceed and upon the Request of the Holders of not less than a majority of the Bonds shall proceed (subject to the provisions of Section 6.01), to protect and enforce its rights and the rights of the Holders under the laws of the State of Maryland or under this Indenture by such suits, actions or special proceedings in equity or at law, either for the specific performance of any covenant contained herein or in aid or execution of any power herein granted, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, or for the enforcement of any proper legal or equitable remedy as the Lender, during the Lender Bond Period, or Trustee, during any other period, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this Indenture, the Trustee shall be entitled to sue for, enforce payment of, and receive, any and all amounts then or during any default becoming, and at any time remaining, due on the Bonds or otherwise under any of the provisions of this Indenture or of the Bonds, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or the Holders, and to recover and enforce judgment or decree against the Issuer but solely as provided herein and in the Bonds and from the sources and money provided herein and in the Bonds for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect in any manner provided by law the money adjudged or decreed to be payable. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.04. Priority of Payments following Default.

If an Event of Default occurs and the money held by the Trustee under this Indenture (other than money set aside under this Indenture for the payment of any Bonds that have not been presented for payment at maturity or on any redemption date or Purchase Date) shall not be sufficient to pay the principal or Redemption Price of and interest on, or the Purchase Price of, the Bonds as the same become due and payable (either by their terms or by acceleration of maturity under the provisions of Section 7.02), such money together with any money then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied by the Trustee, after payment of the Administrative Expenditures:

(a) unless the principal of all the Bonds shall be due and payable, all such money shall be applied:

FIRST: to the payment to the persons entitled thereto of the interest then due on the Bonds and, if the amount available shall not be sufficient to pay in full all such interest, then to the payment of such interest, ratably, to the persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the persons entitled thereto of the unpaid principal then due on any of the Outstanding Bonds in the order of the due dates for such payments, with interest upon such principal from the respective dates upon which such amounts shall have become due and payable (whether upon proceedings for redemption or otherwise), and, if the amount available shall not be sufficient to pay in full the principal or Redemption Price due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of interest due on such date, and then to the payment of such principal or Redemption Price, ratably, according to the amount due on such date, to the persons entitled thereto, without any discrimination or preference; and

THIRD: to the payment of the interest on and the principal of the Bonds as the same become due and payable (whether upon proceedings for redemption or otherwise); and

(b) if the principal of all the Bonds shall have become due and payable, either by their terms or by a declaration of acceleration, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Outstanding Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the persons entitled thereto, without any discrimination or preference.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times, and from time to time,

as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. The setting aside of such money in trust for the benefit of all Holders of the Outstanding Bonds shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, to any Holder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal of the Bonds paid in full on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Trustee for appropriate endorsement.

Section 7.05. Effect of Discontinuance of Proceedings.

In case any proceedings taken by the Trustee or the Holders on account of any default in respect of the Bonds shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Holders, then and in every such case the Issuer, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 7.06. Majority of Holders May Control Proceedings.

Subject to the provisions set forth in Section 6.01 above, the Holders of a majority of the Bonds shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under this Indenture, *provided* that such direction shall not be otherwise than in accordance with law or the provisions of this Indenture; that the Trustee shall have the right to decline to follow any such direction that, in the opinion of the Trustee, would be unjustly prejudicial to Holders not parties to such direction; and that the Holder provide any indemnity required by the Trustee under Section 6.01.

Section 7.07. Restrictions upon Action by Individual Holders.

No Holder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, unless (i) such Holder previously shall have given to the Trustee Notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) the Holders of not less than a majority of the Bonds shall have made Request to the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by this Indenture or to institute such action, suit or proceeding in its or their name, and (iii) there

shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or to any other remedy hereunder; *provided*, however, that notwithstanding the foregoing provisions of this Section, the Lender, during the Lender Bond Period, or the Holders of not less than 20% of the Bonds Trustee, during any other period, may institute any such suit, action or proceeding in their own names for the benefit of all Holders.

It is understood and intended that, except as otherwise provided above, no one or more Holders shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Holders of the Outstanding Bonds, and that any individual right of action or other right given by law to one or more of such Holders is restricted by this Indenture to the rights and remedies herein; *provided*, however, that nothing herein shall affect or impair the right of any Holder of any Bond to enforce payment of the principal or Redemption Price of or interest on or the Purchase Price of such Bond at the time and place, from the source and in the manner expressed herein and in the Bonds.

Section 7.08. Actions by Trustee.

All rights of action under this Indenture or under any of the Bonds enforceable by the Trustee may be enforced by it without the possession of any of such Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all Holders subject to the provisions of this Indenture.

Section 7.09. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Trustee or the Holders is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 7.10. No Delay or Omission Construed as a Waiver; Waiver of Default.

No delay or omission of the Trustee or any Holder to exercise any right or power accruing upon any default shall impair any such right or power, nor shall any such delay or omission be construed to be a waiver of any such default or acquiescence therein. Every power and remedy given by this Article to the Trustee and the Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 7.11. Notice of Default.

The Trustee shall give immediate notice to the Issuer, the Institution and the Lender of the occurrence of an Event of Default under Section 7.01(a) of this Indenture. The Trustee shall give notice to the Holders of the occurrence of any continuing Event of Default known to it within 30 days after a Responsible Office has obtained actual knowledge of any such Event of Default. The Trustee shall not, however, be subject to any liability to the Issuer, the Institution, the Lender or any Holder by reason of its failure to mail any notice required by this Section.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF INDENTURE AND LOAN AGREEMENT

Section 8.01. Supplemental Indentures Without Consent.

(a) Notwithstanding any other provision of this Article, without notice to or the consent of the Holders, with the consent of the Lender, the Issuer and the Trustee may enter into Supplemental Indentures from time to time supplementing this Indenture or any Supplemental Indenture so as to modify or amend this Indenture, such Supplemental Indenture or the Bonds for one or more of the following purposes:

(i) to grant to the Trustee for the benefit of the Holders any additional rights, remedies or security that lawfully may be granted to the Trustee for the benefit of the Holders;

(ii) to add to the agreements of the Issuer contained in this Indenture other agreements thereafter to be observed;

(iii) to surrender any right reserved to the Issuer by this Indenture;

(iv) to confirm, as further assurance, any pledge under this Indenture, and the subjection to any lien on, or claim or pledge of (whether created or to be created by this Indenture), the Trust Estate;

(v) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provisions contained in this Indenture or to make such provisions in regard to matters or questions arising under this Indenture as may be necessary or desirable and not contrary to or inconsistent with this Indenture;

(vi) to provide for, facilitate the use of, or to terminate, the Book-Entry System;

(vii) in connection with the delivery of any Credit Facility in order to provide for (A) the realization of money thereunder at times and in amounts sufficient to provide for the payment of the principal or Redemption Price of and

interest on, and the Purchase Price of, the Bonds when due, (B) the deposit of payments by the Institution in such accounts and at such times as may be necessary to obtain such Credit Facility, or (C) to obtain any rating on the Bonds from any nationally recognized statistical rating organization or otherwise protect the interests of the Bondholders;

(viii) to make any other change in this Indenture that, in the opinion of the Trustee (which may be based on an Opinion of Counsel), shall not prejudice in any material respect the rights of the holders of the Bonds outstanding at the date as of which such change shall become effective;

(ix) to make any change in this Indenture that may be necessary to effectuate a Replacement Index Floating Rate and any Adjustments; or

(x) to make any other change in this Indenture, *provided* that, such change shall not become effective with respect to any Bond unless either (A) the effective date of such change is a Mandatory Purchase Date with respect to such Bond, (B) at least 20 days' Notice of such change has been given to the holder of such Bond, and such Bond is in the Weekly Mode or the Daily Mode, or (C) the Bonds are in a Lender Bond Period and the Lender has approved such change.

(b) Notwithstanding the foregoing, no Supplemental Indenture amending, modifying or supplementing this Indenture shall become effective without (i) the prior written consent of the Lender (so long as the Bonds are in a Lender Bond Period) and the Institution and (ii) the delivery of an Approving Opinion.

Section 8.02. Supplemental Indentures Requiring Consent of Holders.

(a) At any time or from time to time with the consent of the Institution and (i) the Lender, during the Lender Bond Period and (ii) the holders of a majority of the Bonds, during any other period, the Issuer and the Trustee may enter into a Supplemental Indenture amending or supplementing this Indenture, any Supplemental Indenture or any Bond to modify any of the provisions of this Indenture, any Supplemental Indenture or any Bond or to release the Issuer from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained.

(b) Notwithstanding the foregoing provisions of this Section, during any period other than the Lender Bond Period, except as expressly provided in this Indenture, nothing contained herein shall permit (i) except as otherwise permitted by Section 8.01(i), a change in the due date for the payment of the principal of or interest on any Bond, any reduction in the principal, Redemption Price or Purchase Price of or interest rate on any Bond or, except as otherwise permitted by Sections 2.02 and 3.01, any change in the dates on which any Bond is subject to redemption or purchase without the consent of the Holder of such Bond or (ii) the creation of a claim or lien upon, or a pledge of, the Revenues ranking prior to or on parity with the claim, lien and pledge created by this Indenture, a preference or priority of any Bond over any other Bond or a reduction in the

aggregate principal amount of Bonds the consent of the Holders of which is required for any modification of this Indenture, without the unanimous consent of the Holders and the delivery of an Approving Opinion.

Section 8.03. Notation on Bonds.

Bonds authenticated and delivered after the effective date of any action taken as provided in this Article may, and if the Trustee or the Issuer so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee of such action, and in that case, upon demand of the Holder of any Outstanding Bond at such effective date and presentation of such Bond for such purpose to the Trustee, the Trustee shall make suitable notation on such Bond of any such action. If the Issuer or the Trustee shall so determine, new Bonds so modified as in the opinion of the Issuer and the Trustee conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Outstanding Bond and surrender of such Bond to the Trustee, such Bond shall be exchanged, without cost to such Holder, for a new Bond so modified.

Section 8.04. Amendment of Loan Agreement.

(a) Without the consent of or notice to the Holders, but during the Lender Bond Period, with the consent of the Lender, the Issuer may from time to time enter into any amendment, change or modification of the Loan Agreement (i) as may be required for the purpose of curing any ambiguity or formal defect, (ii) in connection with the delivery of any Credit Facility in order to provide for (A) the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, the Bonds and the reimbursement of the provider of such Credit Facility for amount advanced for the payment thereof when due and (B) to obtain such Credit Facility, (iii) to obtain any rating on the Bonds from any nationally recognized statistical rating organization or otherwise protect the interests of the Bondholders, (iii) to make any other change in the Loan Agreement, *provided* that such change shall not become effective unless, either (A) the effective date of such change is on or after a Mandatory Purchase Date with respect to each of the Bonds affected thereby or (B) at least 20 days' Notice of such change has been given to the holders of the outstanding Bonds and such Bonds are in the Weekly Mode or the Daily Mode or (iv) that, in the judgment of the Issuer shall not prejudice in any material respect the rights of the Holders.

(b) Except as provided in paragraph (a) of this Section, the Issuer shall not enter into any amendment, change or modification of the Loan Agreement without the written consent of the Lender during the Lender Bond Period and the Holders of a majority of the Bonds. Without the prior written consent of the Trustee, no amendment, change or modification of the Loan Agreement shall be effective against the Trustee to the extent that it adversely affects the Trustee's rights, duties, indemnities or obligations.

Section 8.05. Deemed Consent.

The parties hereby confirm that the purchasers of any Bonds upon the original issuance thereof or upon any Purchase Date in accordance with this Indenture may be deemed to have consented to any amendment to this Indenture, any Supplemental Indenture, any Bond, and the Loan Agreement permitted to be made with the consent of the Holders of Bonds with the same effect as if such Holders shall have filed a written consent to such amendment.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance.

(a) If the Issuer shall pay or cause to be paid the principal or Redemption Price of and interest on, and the Purchase Price of, all of the Bonds, then the pledge of the Trust Estate and other money and securities and funds hereby pledged to the Bonds and all other rights granted hereby to the Trustee and the Holders shall be discharged and satisfied. In such event, upon the Request of the Issuer upon the written direction of the Institution, the Trustee shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver all money, securities and funds held by it pursuant to this Indenture that are not required for the payment, redemption or purchase of Bonds not theretofore surrendered for such payment, redemption or purchase to the Issuer or to such officer, board or body as may then be entitled by law to receive the same.

(b) A Bond shall be deemed to have been paid within the meaning of and with the effect expressed in this Section if (i) sufficient money for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bond shall then be held by the Trustee (through deposit by the Issuer of money for such payment or otherwise, regardless of the source of such money), whether at or prior to the maturity or the redemption date or Purchase Date of such Bond, or (ii) if the maturity or redemption date or Purchase Date of any such Bond shall not then have arrived, provision shall have been made for the payment of the principal or Redemption Price of and interest on, and the Purchase Price of, such Bond on the due dates for such payments, by deposit with the Trustee (or other method satisfactory to the Trustee) of noncallable Government Obligations, the principal of and the interest on which when due will provide sufficient money for such payments and the Institution shall have made provision, satisfactory to the Trustee, for the giving of notice to the holder of such Bond that such money is so available for such payment; *provided*, however, that if any such Bond is to be redeemed prior to the maturity thereof, provisions satisfactory to the Trustee shall have been made for the giving of notice of such redemption. In determining the sufficiency of the money or Government Obligations deposited pursuant to this paragraph, the Trustee shall be entitled to receive, at the expense of the Institution, and may conclusively rely on a verification report of a firm of nationally recognized independent certified public accountants.

(c) Notwithstanding the foregoing provisions of this Section, during the Initial Term Rate Period or any other Lender Bond Period, the Bonds shall be deemed to have been paid within the meaning of and with the effect expressed in this Section when all amounts due and payable by the Institution to the Lender under the Lender Mode Credit Agreement have been paid.

(d) Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment or purchase of any of the Bonds that remains unclaimed for four years after the date on which the principal or Redemption Price of or interest on, or the Purchase Price of, such Bonds became due and payable, either at their stated maturity dates, by call for earlier redemption or on any Purchase Date, if such money was held by the Trustee at such date, or for four years after the date of deposit of such money if deposited with the Trustee after such date, shall, at the written Request of the Issuer upon the written direction of the Institution, be repaid by the Trustee to the Issuer or to such officer, board or body as may then be entitled by law to receive such money, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged.

ARTICLE X

MISCELLANEOUS

Section 10.01. Further Assurances.

Upon the Request of the Trustee, the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming all and singular the rights and the Trust Estate and other money, securities and funds hereby pledged or assigned, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign.

Section 10.02. Evidence of Signatures of Holders and Ownership of Bonds.

Any request, direction, consent or other instrument that this Indenture may require or permit to be executed by the Holders may be in one or more instruments of similar tenor, and shall be executed by such Holders in person, by their attorneys duly appointed in writing or by their legal representatives. Except as otherwise expressly provided herein, proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any person of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Issuer with regard to any action taken under such instrument if made in the following manner, but the Trustee or the Issuer may nevertheless in its discretion require further or other proof in cases where it deems such further or other proof desirable:

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

(b) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration books.

Any request, direction, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done or omitted to be done by the Issuer or the Trustee in accordance therewith.

Section 10.03. Preservation and Inspection of Documents.

All documents received by the Trustee from the Issuer, the Institution or any Holder under the provisions of this Indenture or the Loan Agreement shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, the Institution, any Holder and their agents and representatives, any of whom, at their expense, may make copies thereof.

Section 10.04. Money and Funds Held for Particular Bonds.

The amounts held by the Trustee for the payment of the principal or Redemption Price of and interest on or the Purchase Price of any Bond due on any date shall, pending such payment, be set aside and held in trust uninvested and without liability for interest by it for the Holder of such Bond, and for the purposes of this Indenture such principal or Redemption Price of and interest on or such Purchase Price of such Bond shall no longer be considered to be unpaid.

Section 10.05. No Recourse on Bonds.

No recourse shall be had for the payment of the principal or Redemption Price of and interest on, or the Purchase Price of, any Bond or for any claims based thereon or on this Indenture against any member or other officer of the Issuer or any person executing the Bonds, all such liability, if any, being expressly waived and released by every Holder of a Bond by the acceptance of such Bond.

Section 10.06. Issuer Protected in Acting in Good Faith.

In the exercise of the powers and the performance of duties of the Issuer and its officers, employees and agents under this Indenture and the Loan Agreement, including (without limitation) the application of money and the investment of funds, the Issuer shall not be accountable to the Institution, the Trustee or any Holder for any action taken or omitted by it or its officers, employees and agents in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred hereby or by the Loan Agreement. The Issuer and such officers, employees or agents shall be protected in its or their acting upon any paper or document reasonably believed in good faith by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel as to matters of law and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the Institution, the Trustee or any Holder for any claims based on this Indenture or the Loan Agreement against any officer, employee or agent of the Issuer alleging personal liability on the part of such person unless such claims are based upon the bad faith, fraud or deceit of such person.

Section 10.07. Assignment of Rights under Loan Agreement.

The Issuer, in its discretion, may assign its rights under the Loan Agreement to the Trustee, which hereby agrees to accept such assignment. Upon any such assignment, the Trustee shall exercise such rights for the benefit of all Bonds Outstanding. In the event of any such assignment, all references in this Indenture, the Loan Agreement to actions taken or to be taken by the Issuer under or with respect to the Loan Agreement shall be deemed to be references to the Trustee.

Section 10.08. Severability of Invalid Provision.

If any one or more of the covenants or agreements provided in this Indenture on the part of the Issuer or the Trustee to be performed should be contrary to law, then such covenant or agreement shall be null and void and shall in no way affect the validity of the other provision of this Indenture or of the Bonds.

Section 10.09. Notices.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be delivered by hand or mailed by registered mail, postage prepaid, and addressed as follows:

If to the Issuer:

Montgomery County, Maryland
Department of Finance
101 Monroe Street, 15th Floor
Rockville, MD 20850

If to the Trustee:

Truist Bank
2713 Forest Hills Road, Building 2
Wilson, NC 27893

If to the Institution:

Georgetown Preparatory School, Inc.
10900 Rockville Pike
North Bethesda, MD 20850
Attention: Robert Posniewski

With a copy to:
Ballard Spahr, LLP
1909 K Street, NW
Washington, DC 20006
Attention: Joe Fanone, Joyce Gorman and Vicky Tsilas

If to the Lender:

STI Institutional & Government, Inc.
1445 New York Avenue, NW
4th Floor
Washington, DC 20005
Attention: Jill A. Fields

Any of such addresses may be changed at any time upon Notice of such change given to the other parties and the other Notice Parties by the party effecting the change.

(b) Except as otherwise expressly provided herein, when any notice is required to be given to the holder of any Bond, such notice shall be mailed to the registered owner of such Bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

(c) Any notice required to be given hereunder to any holder of Bonds shall also be given to the Beneficial Owner of any Bond who shall have filed a Request therefor with the Issuer, the Institution and the Trustee.

(d) The Trustee shall have the right to accept and act on instructions or directions pursuant to this Indenture sent by the Issuer or the Institution, as the case may be, by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, *provided*, however, that the Issuer or the Institution, respectively, shall provide to the Trustee an incumbency certificate listing designated persons with the Issuer or the

Institution to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer or the Institution elects to give the Trustee e-mail or facsimile instructions (or instructions by other Electronic Means) in any case in which the Trustee is required or permitted to take action upon the instructions of the Issuer or the Institution, respectively, and the Trustee acts upon such instructions, the Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions until the Trustee is notified by a party entitled to give such notice that it may no longer rely on such instructions. The Issuer and the Institution hereby agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including (without limitation) the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10.10. Other Indentures.

The Issuer expressly reserves the right to enter into one or more indentures or to adopt one or more bond resolutions and general bond resolutions and to issue bonds, Bonds and other obligations thereunder without compliance with the provisions hereof.

Section 10.11. Business Days.

Except as otherwise expressly provided herein, if any date specified herein for the payment of any Bond or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or Redemption Price of or interest on, or the Purchase Price of, any Bond shall be due on a date that is not a Business Day, such payment shall be made on the immediately succeeding Business Day and no interest shall accrue on the amount of such payment during the intervening period.

Section 10.12. Execution in Several Counterparts.

This Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes; and all such counterparts shall together constitute but one and the same instrument.

Section 10.13. Maryland Law.

This Indenture shall be governed by and construed in accordance with the laws of the State of Maryland, without regard to conflict of law principles.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, sealed and delivered, all as of the day and year first above written.

(SEAL)

MONTGOMERY COUNTY, MARYLAND

ATTEST:

By: Richard S. Madaleno
Richard S. Madaleno
Chief Administrative Officer

Name: Michael J. Coveyou
Title: Director of Finance

(SEAL)

TRUIST BANK,
as Trustee

WITNESS/ATTEST:

By: _____
Cristina Rhodebeck
Vice President

Authorized Officer

[Signature page of Indenture of Trust]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, sealed and delivered, all as of the day and year first above written.

(SEAL)

MONTGOMERY COUNTY, MARYLAND

ATTEST:

By: _____
Richard S. Madaleno
Chief Administrative Officer



Name: Michael J. Coveyou
Title: Director of Finance

(SEAL)

TRUIST BANK,
as Trustee

WITNESS/ATTEST:

By: _____
Cristina Rhodebeck
Vice President

Authorized Officer

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, sealed and delivered, all as of the day and year first above written.

(SEAL)

MONTGOMERY COUNTY, MARYLAND

ATTEST:

By: _____
Richard S. Madaleno
Chief Administrative Officer

Name: Michael J. Coveyou
Title: Director of Finance

(SEAL)

TRUIST BANK,
as Trustee

WITNESS/ATTEST:

By: _____
Cristina Rhodebeck
Vice President

Authorized Officer

[Signature page of Indenture of Trust]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, sealed and delivered, all as of the day and year first above written.

(SEAL)

MONTGOMERY COUNTY, MARYLAND

ATTEST:

By: _____
Richard S. Madaleno
Chief Administrative Officer

Selena Mendy Singleton
Clerk of the County Council

(SEAL)

TRUIST BANK,
as Trustee

WITNESS/ATTEST:

By: *Cristina B. Rhodebeck*
Cristina Rhodebeck
Vice President

Rose Blackman
Authorized Officer

DEFINITIONS

“Act” means the Economic Development Revenue Bond Act, Sections 12-101 through 12-118 of the Economic Development Article of the Annotated Code of Maryland, as amended and all future acts supplemental thereto or amendatory thereof.

“Administrative Expenditures” means any expenditures of the Issuer for insurance, fees and expenses of auditing and fees and expenses of the Trustee, including reasonable counsel fees, costs and expenses under the Indenture, the Loan Agreement not otherwise paid or provided for by the Institution, and all other expenditures reasonably and necessarily incurred by the Issuer by reason of its financing and refinancing of the Project, including (without limitation) legal, financing and administrative expenses, fees and expenses of the Issuer’s financial advisor and expenses incurred by the Issuer to compel full and punctual performance of the Loan Agreement in accordance with the terms thereof.

“Agency Obligations” means direct obligations (including bonds, notes or participation certificates) of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, any agency or instrumentality of the United States of America, including (without limitation) the Export-Import Bank of the United States, the Federal Housing Administration, the Government National Mortgage Association, the Farmers Home Administration, the Federal Financing Bank, the Department of Housing and Urban Development, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

“Alternate Rate” means, when used with respect to any Interest Period during which Bonds bear interest at the Daily Rate, the Weekly Rate or the Flexible Rate, the rate as determined by the Remarketing Agent on or before the first day of the most recent period in which such Bonds began bearing interest at the Daily Rate, the Weekly Rate or a Flexible Rate, respectively, that would enable the Remarketing Agent to sell all such Bonds after the occurrence of one of the events set forth in Section 2.02(g)(i)-(iv) of the Indenture. The Remarketing Agent shall make any Alternate Rate determined as provided herein available to the Issuer, the Institution and the Trustee and the other Notice Parties.

“Ancillary Projects” means the New Improvements consisting of the renovation of Boland Hall and Gunlocke Hall, and three future years of capital expenditures.

“Annual Administrative Fee” means the annual fee for the general administrative services of the Issuer in such amount per year equal to one-tenth of one percent (1/10%) of the outstanding principal amount of Bonds under the Indenture, as such fee shall be calculated based on the principal amount of Outstanding Bonds on the date due and shall be payable annually on each December 10, beginning December 10, 2020.

“Applicable Percentage” means, when used with respect to or in connection with the Bonds during any LIBOR Index Floating Rate Period applicable to the Bonds, the percentage

determined by the Calculation Agent or the Remarketing Agent, as applicable in accordance with Section 2.02(c) of the Indenture, on or before the first day of such LIBOR Index Floating Rate Period that, when multiplied by the sum of the Index for such LIBOR Index Floating Rate Period and the Applicable Spread, will produce the minimum interest rate per annum that would enable the Remarketing Agent to sell the Bonds on such date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.

“Applicable Spread” means, when used with respect to any Index Floating Rate Period, the number of basis points, which may be a negative number (expressed as a percentage) determined by the Calculation Agent or Remarketing Agent, as applicable, having due regard for prevailing market conditions for bonds or other securities comparable as to tax treatment, credit and maturity to the Bonds, in accordance with Section 2.02(c) of the Indenture on or before the first day of such Index Floating Rate Period that, when added to the SIFMA Index or the product of the Applicable Percentage and the LIBOR Rate for such Index Floating Rate Period, would equal the minimum interest rate per annum that would enable the Remarketing Agent to sell the Bonds on such date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.

“Approving Opinion” means, with respect to any action relating to the Bonds, the occurrence of which requires an Opinion of Counsel, an Opinion of Counsel delivered by Bond Counsel to the effect that such action (i) is permitted by the Indenture, and (ii) will not adversely affect the excludability from gross income of interest paid on the Bonds for federal income tax purposes.

“Authorized Denomination” means (a) during any Term Rate Period (except the Initial Term Rate Period) or Fixed Rate Period, \$5,000 and any integral multiple thereof and (b) during any Index Floating Rate Period, Daily Rate Period, Weekly Rate Period or Flexible Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000; *provided however*, notwithstanding the foregoing, during the Initial Term Rate Period and any other Lender Bond Period, \$100,000 and any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (i) in the case of the Issuer, the County Executive, the Chief Administrative Officer, the Director of Finance of the County and any other person authorized by the County to act on its behalf under or with respect to the Indenture or the Loan Agreement by written certificate executed by the Director of Finance of the County and delivered to the Trustee and (ii) in the case of the Institution, the President or Vice President of the Institution and, when used with reference to any act or document also means any other person authorized by appropriate action of the President or Vice President of the Institution to perform such act or execute such document on behalf of the Institution.

“Beneficial Owner” means, if the Bonds are held under a Book-Entry System, any person who acquires a beneficial ownership interest in the Bonds.

“Bonds” means the Montgomery County, Maryland Economic Development Revenue Bonds, Georgetown Preparatory School Issue, Series 2020, authorized by Section 2.01 of the Indenture.

“Bond Counsel” means a law firm appointed by the Issuer having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds. The firm of McKennon Shelton & Henn LLP is hereby recognized as constituting Bond Counsel, subject to further action by the Issuer.

“Book-Entry System” means a book-entry system established and operated for the recordation of beneficial ownership interests in the Bonds pursuant to the Indenture.

“Business Day” means a day other than (i) a Saturday, Sunday or other day on which banking institutions in the State of Maryland or the city in which the Designated Office of the Trustee is located are authorized or required to close or (ii) a day on which the New York Stock Exchange is closed.

“Calculation Agent” means (i) during a Lender Bond Period, the Lender, and (ii) during any other period, such agent as shall be appointed by the Institution, and its successors. Notwithstanding any provision to the contrary, in no event shall the Trustee be deemed to be the Calculation Agent unless it has specifically agreed to assume such duties pursuant to a separate written agreement. In the event the Trustee serves as the Calculation Agent, it shall be entitled in its capacity as Calculation Agent to all rights and protections granted to the Trustee under the Indenture and the Loan Agreement. The Calculation Agent may resign from its duties as Calculation Agent upon 30 days’ written notice to the Issuer, which resignation shall take effect upon the appointment of a successor; *provided* however, if no successor Calculation Agent shall have been so appointed and accepted appointment within 30 days of such resignation, the Calculation Agent or any Bond owner may, at the expense of the Institution, petition any court of competent jurisdiction for the appointment of a successor Calculation Agent until a successor shall have been appointed as above provided.

“Certificate,” “Notice,” “Opinion,” “Order,” “Request,” “Requisition” and **“Statement”** mean, respectively, a written certificate, notice, opinion, order, request, requisition or statement, in form and substance satisfactory to the Issuer, signed (i) when used with respect to the Issuer or the Institution, by an Authorized Officer of the Issuer or the Institution, respectively, and (ii) when used with respect to any other person, by an authorized officer thereof. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

“Change in Law” means (i) the adoption of any applicable law, rule or regulation after the date of the Indenture, (ii) any change in any applicable law, rule or regulation, or any change in the interpretation, implementation or application thereof, by any Governmental Authority after the date of the Indenture, or (iii) compliance by the Lender with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of the Indenture; provided, that for purposes of the Indenture, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any

successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any subsequent federal tax law.

“**Completion Date**” means December 10, 2023.

“**Core Property**” means the educational facilities of the Institution located on its campus in North Bethesda, Maryland.

“**Cost**” means, when used with respect to the Project, all items permitted to be financed or refinanced under the provisions of the Code and the Act.

“**Credit Facility**” means any letter of credit, bond insurance policy, bond purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing the Bonds.

“**Daily Mode**” means the Mode during which the Bonds bear interest at the Daily Rate.

“**Daily Rate**” means the per annum interest rate on the Bonds determined pursuant to Section 2.02(d) of the Indenture on each Business Day.

“**Daily Rate Period**” means the period from and including the Business Day upon which a Daily Rate is set to but not including the next succeeding Business Day.

“**Default Rate**” means the interest rate per annum obtained by adding [3.00]% to the respective rate or rates otherwise in effect with respect to the Bonds; *provided*, however, that the Default Rate shall not be higher than the maximum rate permitted by then applicable law.

“**Designated Office**” means, when used with reference to the Trustee, the corporate trust office of the Trustee at which notices to the Trustee are required to be sent pursuant to Section 10.09 of the Indenture.

“**Dormitory Project**” means the construction of a new dormitory as part of the New Improvements.

“**Electronic Means**” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“**Event of Default**” means, when used in or with respect to the Indenture, any Event of Default specified in Section 7.01 thereof, and when used in or with respect to the Loan Agreement, any Event of Default specified in Section 6.01 thereof.

“**Event of Taxability**” means:

(a) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Issuer and the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Bonds is not excludable from gross income of the owners thereof for federal income tax purposes;

(b) receipt by the Issuer, the Trustee or the Institution of written notice that the Internal Revenue Service has issued a “notice of deficiency” or similar notice to any present or former Holder assessing a tax in respect of any interest on the Bonds as a result of such interest not being excludable from gross income for federal income tax purposes, provided that such notice has not been withdrawn by the Internal Revenue Service and from which such Holder (or the Institution or the Trustee on behalf of the Bondholder, if allowable) has not filed a timely petition in the United States Tax Court contesting the same; or

(c) the delivery to the Institution, the Trustee and the Issuer of an opinion of Bond Counsel, delivered at the request of the Institution or the Lender, to the effect that (i) interest on the Bonds is not excludable from the gross income of a holder thereof for federal income tax purposes, (ii) redemption of some or all of the Bonds is required under the terms of a settlement or closing agreement with the Internal Revenue Service of an audit of the Bonds or under the terms of a closing agreement with the Internal Revenue Service pursuant to the Voluntary Closing Agreement Program, or any successor to such program, or (iii) redemption of some or all of the Bonds is required in order to effect a remedial action, as described in Treas. Reg. §1.141-12, necessary to protect the tax-exemption of the Bonds.

“Facilities” means collectively, the New Improvements and existing portions of the Core Property that are being refinanced with proceeds of the Bonds, as described in Appendix B to the Loan Agreement.

“Fiscal Year” means the fiscal year of the Institution, being the period commencing on July 1 of any calendar year and ending on June 30 of the following calendar year, or such other 12-month period as the Institution shall establish as its fiscal year.

“Fixed Rate” means the per annum interest rate on the Bonds determined in accordance with Section 2.02(f) of the Indenture.

“Fixed Rate Bond” means the Bonds in the Fixed Rate Mode.

“Fixed Rate Mode” means the Mode during which the Bonds bear interest at the Fixed Rate.

“Fixed Rate Period” means the period from and including the Mode Change Date upon which the Bonds are converted to the Fixed Rate Mode to but not including the Maturity Date.

“Flexible Mode” means the Mode during which the Bonds bear interest at the Flexible Rate.

“Flexible Rate” means the per annum interest rate on the Bonds determined in accordance with Section 2.02(e) of the Indenture. The Bonds in the Flexible Mode may bear interest at different Flexible Rates.

“Flexible Rate Bond” means the Bonds in the Flexible Mode.

“Flexible Rate Period” means a period during which a Flexible Rate Bond shall bear interest at a Flexible Rate, as established by the Remarketing Agent in accordance with Section 2.02(e) of the Indenture.

“Governmental Authority” means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Government Obligations” means direct obligations of, or obligations the full and timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

“Holder,” “holder,” “owner” or any similar term, when used with reference to a Bond, means the registered owner of such Bond.

“Indenture” means the Indenture of Trust dated as of December 1, 2020, between the Issuer and the Trustee, as amended, modified or supplemented from time to time by Supplemental Indenture.

“Index” means during any Index Floating Rate Period, any of (i) LIBOR (or if applicable, the Replacement Index Floating Rate), (ii) the SIFMA Index, or (iii) another index selected by the Remarketing Agent on or before the first day of such Index Floating Rate Period.

“Index Floating Rate Mode” means the Mode during which the Bonds bear interest at the Index Floating Rate.

“Index Floating Rate” means the per annum interest rate on the Bonds determined in accordance with Section 2.02(c) of the Indenture.

“Index Floating Rate Bond” means Bonds in the Index Floating Rate Mode.

“Index Floating Rate Period” means the period from and including the first day of any period during which the Bonds bear interest at an Index Floating Rate to but excluding the earliest of (i) the Business Day following the last day of such period, (ii) the immediately succeeding Mode Change Date applicable to the Bonds, and (iii) the Maturity Date.

“Initial Term Rate” means 2.20% per annum multiplied by the Margin Rate Factor.

“Initial Term Rate Period” means the period from and including the date of initial authentication and delivery of the Bonds until the earlier of (i) the immediately succeeding Mode Change Date or (ii) the Lender Purchase Date.

“Institution” means Georgetown Preparatory School, Incorporated, a Maryland nonstock corporation, duly organized and existing under the laws of the State of Maryland and its successors.

“Interest Accrual Period” means the period during which the Bonds accrue interest payable on an Interest Payment Date. Each Interest Accrual Period shall commence on (and include) the last Interest Payment Date to which interest has been paid (or, if no interest has been paid, the date of original authentication and delivery of the Bonds) to, but not including, the Interest Payment Date on which interest is to be paid.

“Interest Payment Date” means each date on which interest is to be paid on the Bonds, and shall be: (i) during the Initial Term Rate Period, on June 1, 2021 and each June 1 and December 1 thereafter, (ii) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date applicable thereto; (iii) with respect to the Bonds in the Daily Mode, the Weekly Mode or an Index Floating Rate Period, the first Business Day of each month; (iv) with respect to the Bonds in a Long-Term Interest Period other than the Term Rate Mode during the Initial Term Rate Period, the first day of the sixth calendar month following the month in which such Long-Term Mode takes effect, and the first day of each sixth calendar month thereafter or any other six-month interval chosen by the Issuer at the Request of the Institution (beginning with the first such day which is at least three months after the Mode Change Date); (v) with respect to a Term Rate Period other than the Initial Term Rate Period, the day following the last day of each Interest Period; and (vi) with respect to any Bond (a) each Mode Change Date applicable to such Bond, other than a date on which the Mode changes between the Daily Mode and the Weekly Mode, and (b) the Maturity Date.

“Interest Period” means, for the Bonds in a particular Mode, the period of time that such Bonds bear interest at a single rate per annum, and shall include a Flexible Rate Period, a Daily Rate Period, a Weekly Rate Period, a Term Rate Period and a Fixed Rate Period.

“Investment Obligations” means:

- (i) Government Obligations;
- (ii) Agency Obligations;
- (iii) negotiable or nonnegotiable certificates of deposit issued by commercial banks, trust companies or savings and loan associations (including the Trustee and any of its affiliates) and continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Issuer and the Trustee, either (a) by lodging with a bank or trust company, acting as agent for the Trustee or the Issuer, as the case may be, as collateral security, Government Obligations or Agency Obligations or, with the approval of the Issuer, other marketable securities eligible as security for the deposit of trust funds under applicable

regulations of the Comptroller of the Currency of the United States of America or applicable state law or regulations, having a market value not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) of this paragraph is not permitted by applicable law, in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds;

(iv) repurchase agreements for Government Obligations or Agency Obligations or investment agreements that are, or are issued or guaranteed by an entity, including the Trustee and any of its affiliates, rated by Moody's or S&P in its highest rating category or fully collateralized by Government Obligations or Agency Obligations (any such collateralized investment agreement being referred to herein as a "Collateralized Investment Agreement"); *provided* that (a) such Government Obligations or Agency Obligations shall be delivered to the Trustee or supported by a safekeeping receipt issued by a depository satisfactory to the Issuer or other confirmatory documentation satisfactory to the Issuer; (b) the Trustee or the Issuer (as the case may be) shall have a perfected security interest in such Government Obligations or Agency Obligations; (c) such Government Obligations or Agency Obligations shall be free and clear of any other liens or encumbrances; and (d) such repurchase agreements or Collateralized Investment Agreements shall provide that the value of the underlying Government Obligations or Agency Obligations shall be continuously maintained at a current market value of not less than 102% of the repurchase price or the amount deposited thereunder, respectively (the value of such Government Obligations or Agency Obligations to be determined by the Trustee or its agent at least once in each seven-day period);

(v) obligations issued by or on behalf of any state of the United States of America or any political subdivision thereof rated by Moody's or S&P in one of its three highest rating categories;

(vi) obligations of any state of the United States of America or any political subdivision thereof for the payment of the principal or redemption price of and interest on which there shall have been irrevocably deposited Government Obligations maturing as to principal and interest at times and in amounts sufficient to provide such payment;

(vii) commercial paper rated by Moody's or S&P in its highest rating category; and

(vii) any mutual fund, money market fund or short term investment fund, the portfolio of which is limited to obligations described in clauses (i) through (vii) above (including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, custodian or subcustodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, and (b) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds.

"Issuer" means Montgomery County, Maryland, a body politic and corporate of the State of Maryland constituting a public body under the Act.

“Lender” means STI Institutional & Government, Inc. or such other entity as shall be the Holder or, if the Bonds are then held under the Book-Entry System, Beneficial Owner of all of the Bonds, and their successors.

“Lender Bond Period” means any period in which all of the Bonds are registered in the name of a single entity or, if the Bonds are then held under the Book-Entry System, a single entity is the Beneficial Owner of all of the Bonds.

“Lender Mode Credit Agreement” means (a) during the Initial Term Rate Period, the Lender Mode Credit Agreement dated as of December 1, 2020 by and between the Institution and the Lender, and all modifications, supplements and amendments thereto, and (b) during any other Lender Bond Period, any lender mode credit agreement, continuing covenant agreement or similar agreement between the Institution and the Lender, and all modifications, supplements and amendments thereto.

“Lender Purchase Date” means December 1, 2040, subject to extension as set forth in Section 3.01(a)(v) of the Indenture.

“LIBOR” means, for any Rate Determination Date, the rate that is equal to the London Interbank Offered Rate at approximately 11:00 a.m. London time two London Business Days prior to such Rate Determination Date for delivery on such date for U.S. dollar deposits for a one-month term beginning on such Rate Determination Date as published by Bloomberg (or other commercially available source providing quotations of such rate selected by the Calculation Date from time to time, Notice of which shall be provided to the Issuer, Institution, the Trustee and the other Notice Parties), *provided* that if any rate determined in accordance with this paragraph is less than zero, such rate shall be deemed to be zero for purposes of the Indenture. If such rate is not then reported by such source or otherwise ceases to be available as of the date of determination of any Index Floating Rate, then “LIBOR” means a substitute or replacement LIBOR index designated by the Issuer in compliance with **Error! Reference source not found.** of the Indenture; provided that if LIBOR has been permanently discontinued, the Calculation Agent (or the Remarketing Agent in the case of the determination of the Index Floating Rate prior to the first day of an Index Floating Rate Period) will use, as directed by the Issuer, as a substitute for LIBOR and for each future date of determination of the Index Floating Rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with accepted market practice (the **“Replacement Index Floating Rate”**). As part of such substitution, the Calculation Agent (or Remarketing Agent, as applicable) will, as directed by the Issuer, make such adjustments to the Replacement Index Floating Rate or the spread thereon, as well as the Business Day convention, Index Floating Rate reset dates and related provisions and definitions (**“Adjustments”**), in each case that are consistent with accepted market practice for the use of such Replacement Index Floating Rate for debt obligations such as the Bonds; provided that in the event that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor to determine an appropriate Replacement Index Floating Rate, and

any Adjustments, and the decision of the independent financial advisor will be binding on the Issuer, the Calculation Agent, the Institution and the Bondholders.

“LIBOR Index Floating Rate Period” means any Index Floating Rate Period during which the Index Rate is LIBOR (or if applicable, the Replacement Index Floating Rate).

“LIBOR Rate” means a rate per annum determined by the Calculation Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00 - \text{LIBOR Reserve Percentage}}$$

“LIBOR Reserve Percentage” means, for any day, the reserve percentage (expressed as a number, carried out to five decimal places) in effect on such day under regulations issued from time to time by the Federal Reserve Bank for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”). The LIBOR Reserve Percentage shall never be less than 0.00%. The LIBOR Rate shall be adjusted automatically as of the effective date of any change in the LIBOR Reserve Percentage.

“London Business Day” means a day on which banks in London, England are open for business and dealing in offshore dollars.

“Loan Agreement” means the Loan Agreement dated as of December 1, 2020, between the Institution and the Issuer, as amended, modified or supplemented from time to time.

“Long-Term Interest Period” means a Term Rate Period longer than six months or a Fixed Rate Period.

“Long-Term Mode” means the Mode in which the Bonds bear interest at a Term Rate for a Term Rate Period longer than six months or the Fixed Rate Mode.

“Mandatory Purchase Date” means: (i) with respect to Term Rate Bonds, the first Business Day following the last day of each Term Rate Period applicable to such Bonds; (ii) with respect to Index Floating Rate Bonds, the first Business Day following the last day of each Index Floating Rate Period applicable to such Bonds; (iii) with respect to a Flexible Rate Bond, the first Business Day following the last day of each Flexible Rate Period applicable to such Bond; (iv) any Mode Change Date applicable to the Bonds other than a date on which the Mode changes between the Daily Mode and the Weekly Mode; and (v) with respect to any Bonds during any period, any Business Day specified by the Issuer at the Request of the Institution on which such Bonds are subject to redemption in full at the option of the Issuer.

“Mandatory Purchase Notice” means a notice of a Mandatory Purchase Date given by the Trustee in accordance with Section 3.04(b) of the Indenture.

“Margin Rate Factor” means, as of any particular date with respect to Bonds in a Lender Bond Period, a fraction, the numerator of which is equal to one minus the Maximum Federal Corporate Tax Rate on such date and the denominator of which is 0.79; *provided*, however, that the Margin Rate Factor shall be 1.0 so long as the Maximum Federal Corporate Tax Rate is 21%, and thereafter shall increase or decrease, as the case may be, from time to time effective as of the effective date of any increase or decrease, as the case may be in the Maximum Federal Corporate Tax Rate; *provided* further, that in the event of any increase or decrease, as the case may be, in the Maximum Federal Corporate Tax Rate, the Margin Rate Factor shall decrease or increase, as the case may be, from time to time effective as of the effective date of any such increase or decrease, as the case may be, in the Maximum Federal Corporate Tax Rate determined in accordance with the foregoing calculation.

“Maturity Date” means December 1, 2050.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations generally and applicable to the highest segment of taxable income pursuant to Section 11(b) of the Code, as in effect from time to time (or if, as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the statutory rate of federal income taxation applicable to the highest segment of taxable income which could apply to the Lender). The Maximum Federal Corporate Tax Rate on the date of issuance of the Bonds is 21%.

“Mode” means the mode in which interest is determined for the Bonds and may include the Term Rate Mode, the Index Floating Rate Mode, the Daily Mode, the Weekly Mode, the Flexible Mode or the Fixed Rate Mode.

“Mode Change Date” means, when used with respect to Bonds, the effective date of a change in the Mode, the Term Rate Period or the Index Floating Rate Period applicable to such Bonds.

“Mode Change Notice” means the notice from the Trustee to the other Notice Parties of its intention to change the Term Rate Periods, the Mode or the Index Floating Rate Periods applicable to such Bonds.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“New Improvements” means the portions of the Project to be financed with proceeds of the Bonds consisting of the new dormitory to be constructed, improvements to existing dormitories and other academic facilities.

“Notice Parties” means the Issuer, the Institution, the Trustee, the Lender, the Remarketing Agent, if any, and the Rating Agencies, if any.

“Opinion of Counsel” means any opinion of an attorney or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including any Bond Counsel, delivered pursuant to the Indenture or the Loan

Agreement and addressed to the Trustee, the Remarketing Agent, if any, the Institution, the Issuer, the Lender, if any, and any provider of credit enhancement or liquidity for the Bonds.

“Outstanding” or **“outstanding”** means, when used with reference to the Bonds, as of any particular date, Bonds authenticated and delivered under the Indenture except:

(i) any Bond canceled by the Trustee (or delivered to the Trustee for cancellation) at or before such date;

(ii) any Bond for the payment of the principal or Redemption Price of and interest on which, and the Purchase Price of which, provision shall have been made as provided in Section 9.01 of the Indenture; and

(iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Article II, Article III or Section 8.03 of the Indenture.

“Permitted Encumbrances” shall have the meaning set forth in Section 6.2 of the Lender Mode Credit Agreement.

“Prepayment Premium” during the Initial Term Rate Period shall have the meaning set forth in Section 3.01(a)(i) of the Indenture, and during any other Lender Bond Period shall have the meaning set forth in the applicable Lender Mode Credit Agreement.

“Project” means the Project described in Appendix B to the Loan Agreement, as the Project may be amended by mutual agreement of the Issuer and the Institution, this definition of “Project” being set forth without in any way limiting the items that may be included (by such mutual agreement) within the definition of the term “facilities” under the Appendix B of the Loan Agreement.

“Purchase Date” means (i) when used with respect to a Bond in the Daily Mode or the Weekly Mode, a day on which such Bond is required to be purchased at the option of the holder thereof pursuant to Section 3.04(a) of the Indenture, and (ii) any Mandatory Purchase Date.

“Purchase Price” means, when used with respect to a Bond, an amount equal to the principal amount of such Bonds, plus accrued interest to the Purchase Date (unless the Purchase Date is an Interest Payment Date, in which case the Purchase Price shall not include accrued interest, which shall be paid in the normal course), plus the Prepayment Premium or other redemption premium, if any, that would be payable on such Bond if redeemed on such date.

“Rate Determination Date” means the date on which the interest rate on the Bonds shall be determined, which shall be (i) in the case of Bonds (x) in an Index Floating Rate Period for which the Index is the SIFMA Index, each Wednesday, or if such Wednesday is not a Business Day, the following Business Day, and (y) in an Index Floating Rate Period for which the Index is LIBOR (or if applicable, the Replacement Index Floating Rate), the first Business Day of each month; (ii) in the case of Bonds in the Weekly Mode, a date selected by the Remarketing Agent that is not later than the Business Day prior to any Mode Change Date on which the Mode

applicable to such Bonds is changed to the Weekly Mode and on each Wednesday thereafter while such Bonds bear interest at the Weekly Rate or, if any Wednesday is not a Business Day, then the Business Day next preceding such Wednesday; (iii) in the case of the Bonds in the Flexible Mode, the first day of each Interest Period applicable to such Bonds; (iv) in the case of the Bond in the Daily Mode, each Business Day; (v) in the case of Bonds in the Term Rate Mode after the Initial Term Rate Period, a Business Day selected by the Remarketing Agent that is not earlier than 15 Business Days or later than the Business Day next preceding the first day of each Interest Period applicable to such Bonds; and (vi) in the case of Bonds in the Fixed Rate Mode, a date determined by the Remarketing Agent that is at least one Business Day prior to the Mode Change Date on which the Mode applicable to such Bonds is changed to the Fixed Rate Mode.

“Rating Agency” means any securities rating agency that, at the request of the Issuer, shall have assigned a rating to Bonds that is then in effect and their successors and assigns, and **“Rating Agencies”** means each such Rating Agency, collectively.

“Receipts” means all income derived from student tuition and fees, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired.

“Record Date” means (i) with respect to Bonds in a Short-Term Mode, the last Business Day before an Interest Payment Date; (ii) with respect to the Bonds in a Long-Term Mode, the fifteenth day (whether or not a Business Day) of the month next preceding each Interest Payment Date; and (iii) if there is a default in the payment of the interest due on the Bonds on any Interest Payment Date, a special record date established by the Trustee, that is at least 10 and not more than 15 days before the date set for payment of the defaulted interest.

“Redemption Price” means, when used with respect to a Bond or any portion thereof, the principal amount of such Bonds or portion thereof plus the premium, if any, payable upon redemption thereof.

“Remarketing Agent” means any remarketing agent appointed pursuant to Section 2.02 of the Indenture, and its successors.

“Responsible Officer” means when used with respect to the Trustee, an officer of the Trustee within the Designated Office of the Trustee having direct responsibility for the administration of the Indenture.

“Revenues” means (i) all payments to the Issuer or the Trustee pursuant to the Loan Agreement for the payment of the Bonds, including (without limitation) payments from the Receipts, (ii) all money and securities on deposit in the funds and accounts created by the Indenture, and (iii) all other receipts of the Issuer attributable to the financing and refinancing of the Project by the issuance of the Bonds; *provided*, however, that “Revenues” shall not include payments to the Issuer of its initial fee, the Annual Administrative Fees or any Administrative Expenditures or any indemnity payments to the Issuer.

“S&P” means S&P Global Ratings and its successors and assigns.

“Securities Depository” means The Depository Trust Company or such other securities depository as the Issuer may designate by written notice to the other Notice Parties, and its successors.

“SIFMA” means the Securities Industry & Financial Markets Association (formerly the Bond Market Association).

“SIFMA Index” means the rate determined on the basis of the seven day high grade market index of tax-exempt variable rate demand obligations produced by Bloomberg (or a successor organization) most recently published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA acceptable to the Institution and the Issuer or, if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or a successor organization) or (ii) upon consultation with Bond Counsel, another index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to such Bonds as selected by the Issuer upon the Request of the Institution.

“Short-Term Mode” means the Daily Mode, the Weekly Mode, the Flexible Mode, the Index Floating Rate Mode or the Term Rate Mode for a Term Rate Period of six months or shorter.

“Supplemental Indenture” means any indenture entered into by the Issuer and the Trustee amending, modifying or supplementing the Indenture, any Supplemental Indenture or the Bonds in accordance with the terms of the Indenture.

“Taxable Period” means the period of time following the date on which interest on the Bonds is deemed to be includable in the gross income of the Lender for federal income tax purposes as a result of an Event of Taxability.

“Taxable Rate” means (i) during the Initial Term Rate Period, 2.79% per annum, and (ii) and during any other Lender Rate Period, such rate as may be set forth in the applicable Lender Mode Credit Agreement.

“Tender Notice” means a notice delivered by Electronic Means or in writing to the Remarketing Agent and the Trustee that states (i) the principal amount of Bonds to be purchased pursuant to Section 3.04(a) of the Indenture, (ii) the Purchase Date on which the Bonds are to be purchased, (iii) applicable payment instructions with respect to the Bonds and (iv) an irrevocable demand for the purchase of such Bonds.

“Tender Notice Deadline” means (i) during the Daily Mode, 11:00 a.m. on any Business Day and (ii) during the Weekly Mode, 5:00 p.m. on the last Business Day that is not less than seven days prior to the Purchase Date on which Bonds are to be purchased at the option of the holder thereof in accordance with Section 3.04(a) of the Indenture.

“Term Rate” means (a) during the Initial Term Rate Period, the Initial Term Rate and (b) during any other Term Rate Period, the per annum interest rate for the Bonds determined pursuant to Section 2.02(b) of the Indenture.

“Term Rate Mode” means the Mode during which the Bonds bear interest at the Term Rate.

“Term Rate Period” means (i) the Initial Term Rate Period, (ii) any Term Rate Period established in accordance with Section 2.02(i) or 2.02(j) of the Indenture and (iii) the period established for the Bonds converted to the Term Rate Mode by the Issuer upon the Request of the Institution and, thereafter, the period from (and including) the first day of each successive Interest Period established for the Bonds pursuant to Section 2.02(h) of the Indenture to but excluding the Business Day immediately succeeding the last day of such Interest Period while the Bonds are in the Term Rate Mode.

“Trust Estate” means all money and securities that from time to time are deposited or are required to be deposited with the Trustee or to be held in trust under any of the provisions of the Indenture and all property, rights and other assets that from time to time may be pledged and assigned to the Trustee under the Granting Clauses of the Indenture.

“Trustee” means Truist Bank, a banking corporation organized and existing under the laws of the State of North Carolina, and its successors, and any other corporation that may at any time be substituted in its place in accordance with the Indenture.

“Weekly Mode” means the Mode during which the Bonds bear interest at the Weekly Rate.

“Weekly Rate” means the per annum interest rate on the Bonds determined each week pursuant to Section 2.02(d) of the Indenture.

“Weekly Rate Period” means any period during which the Bonds in the Weekly Mode shall bear a Weekly Rate, which shall be the period from and including Thursday of each week to but excluding Thursday of the following week, except that the first Weekly Rate Period shall be from and including the Mode Change Date on which the Mode applicable to the Bonds is changed to the Weekly Mode to but excluding Thursday of the following week and the last Weekly Rate Period shall be from and including the Thursday of the week prior to the Mode Change Date on which the Mode applicable to the Bonds is changed to but excluding such Mode Change Date or the Maturity Date, as the case may be.

THIS BOND IS ISSUED UNDER THE PROVISIONS OF THE MARYLAND ECONOMIC DEVELOPMENT REVENUE BOND ACT AND DOES NOT CONSTITUTE AN INDEBTEDNESS TO WHICH THE FAITH AND CREDIT OF THE STATE OF MARYLAND, MONTGOMERY COUNTY, MARYLAND OR ANY OTHER PUBLIC BODY IS PLEDGED.

REGISTERED

UNITED STATES OF AMERICA

REGISTERED

STATE OF MARYLAND

No. R-__

\$_____

MONTGOMERY COUNTY, MARYLAND
ECONOMIC DEVELOPMENT REVENUE BONDS
(GEORGETOWN PREPARATORY SCHOOL PROJECT)
SERIES 2020

Reference Date

December 10, 2020

Maturity Date

Registered Owner: _____

Principal Sum: _____

MONTGOMERY COUNTY, MARYLAND (the “Issuer”), a body politic and corporate and a political subdivision of the State of Maryland (the “State”), for value received, hereby promises to pay, but only from the Revenues (defined herein) and other amounts pledged to such payment under the Indenture (defined herein), to the Registered Owner shown above, or registered assigns or legal representative, upon presentation and surrender hereof as provided herein, the Principal Sum shown above (or such lesser amount as shall be outstanding hereunder from time to time in accordance with Section 3 hereof) on the Maturity Date shown above (or earlier as hereinafter referred to), with interest thereon from the most recent date to which interest has been paid or, if the Date of Authentication shown below is prior to the first interest payment date, from the Reference Date shown above, at the rates determined in accordance with the Indenture until said Principal Sum is paid. The principal of and interest on this bond shall be payable on the dates and in the amounts set forth in the Indenture.

This bond shall not be deemed to constitute a debt or liability of the State of Maryland, of any political subdivision thereof or of the Issuer, or a pledge of the faith and credit of the State, of any political subdivision thereof or of the Issuer, but shall be payable solely from the Revenues and other amounts pledged to such payment under the Indenture. None of the State, any political subdivision thereof or the Issuer shall be obligated to pay this bond or the interest hereon except from such sources, and neither the faith and credit nor the taxing power of the

State, of any political subdivision thereof or of the Issuer is pledged to the payment of the principal of or the interest on this bond. This bond is not a general obligation of the Issuer.

This bond shall be designated “MONTGOMERY COUNTY, MARYLAND, ECONOMIC DEVELOPMENT REVENUE BONDS (GEORGETOWN PREPARATORY SCHOOL PROJECT), SERIES 2020,” in the principal amount of Seventy-Five Million Dollars (\$75,000,000) (the “Bonds”), issued pursuant to (i) the Constitution and laws of the State, particularly the Maryland Economic Development Revenue Bond Act, Sections 12-101 to 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the “Act”), (ii) certain proceedings of the Issuer and (iii) an Indenture of Trust dated as of December 1, 2020 (together with all amendments and supplements thereto, the “Indenture”), between the Issuer and Truist Bank, as trustee (the “Trustee”). The terms of the Bonds include those stated in the Indenture, and the Bonds are subject to all such terms. Reference is made hereby to the Indenture for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security created or to be created, and the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Trustee and the holders of the Bonds. By the acceptance of this bond, the holder hereof assents to all of the provisions of the Indenture. Certified copies of the Indenture are on file at the Designated Office of the Trustee and at the office of the Issuer in Montgomery County, Maryland.

2. Loan Agreement; Revenues. The Issuer and Georgetown Preparatory School, Incorporated (the “Institution”) have entered into a Loan Agreement dated as of December 1, 2020 (as amended and supplemented from time to time, the “Loan Agreement”), pursuant to which the Issuer has loaned the proceeds of the Bonds to the Institution in order to finance and refinance the cost of certain capital projects authorized by the Act and for other purposes set forth in the Indenture and to refund certain outstanding indebtedness of the Institution. Pursuant to the Loan Agreement, the Institution is obligated to make loan payments to the Issuer sufficient to provide for the timely payment of the principal or redemption price of and interest on, and the purchase price of, the Bonds when due.

As defined in the Indenture, “Revenues” include (i) all payments to the Issuer or the Trustee pursuant to the Loan Agreement for the payment of the Bonds, including (without limitation) payments from the Receipts, (ii) all money and securities on deposit in the funds and accounts created by the Indenture, and (iii) all other receipts of the Issuer attributable to the financing and refinancing of the Project (as defined in the Appendix A to the Indenture and Loan Agreement) by the issuance of the Bonds other than payments to the Issuer of its initial fee, the Annual Administrative Fees or any Administrative Expenditures or any indemnity payments to the Issuer (each as defined in the Appendix A to the Indenture and Loan Agreement) and any indemnity payments to the Issuer.

3. Redemption and Purchase. The Bonds may be redeemed or purchased prior to maturity on the dates and at the prices provided in the Indenture.

On the date designated for redemption or purchase, any conditions to such redemption or purchase having been satisfied, the Bonds or portions of Bonds so called for redemption or purchase shall become and be due and payable at the redemption or purchase price provided for redemption or purchase of such Bonds or such portions thereof on such date and, if money for

the payment of the redemption or purchase price and accrued interest are held by the Trustee or the Registered Owner as applicable as provided in the Indenture, interest on such Bonds or such portions thereof so called for redemption or purchase shall cease to accrue, such Bonds or such portions thereof so called for redemption or purchase shall cease to be entitled to any benefit or security under the Indenture, and the registered owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption or purchase except to receive payment of the redemption or purchase price thereof and the accrued interest thereon so held by the Trustee.

Upon receipt of each payment or prepayment of principal on the Bonds, the Registered Owner shall make a notation indicating the principal amount paid or prepaid and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of the Bonds outstanding at any time shall be equal to the Principal Amount shown above, reduced by the principal amount of this bond so paid or prepaid. The failure of the Registered Owner to note any such payment or prepayment on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the Issuer hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

4. Interest. The Bonds shall bear interest as set forth in the Indenture. The determination of the interest rates borne from time to time by the Bonds as provided in the Indenture shall be conclusive and binding on the owner of this bond.

5. Acceleration; Defeasance. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds then outstanding under the Indenture may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon.

The Indenture prescribes the manner in which it may be discharged and provides that Bonds shall be deemed to be paid if money or certain Government Obligations (as defined in the Indenture), the principal of and interest on which, when due, will be sufficient to pay the principal or redemption price of and interest on, and the purchase price of, such Bonds to the date of maturity or redemption thereof, shall have been deposited with the Trustee.

6. Persons Deemed Owners. The Issuer and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof (whether or not this bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the Issuer or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of and interest on, and the purchase price of, this bond, and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments so made to any such Registered Owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for money payable under this bond.

7. Governing Law. This bond shall be governed by and construed in accordance with the laws of the State.

8. Notices. Except as otherwise provided in the Indenture and this bond, when the Trustee is required to give notice to the owner of this bond, such notice shall be mailed by first-class mail to the Registered Owner of this bond at such owner's address as it appears on the registration books maintained by the Trustee. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

All acts, conditions and things required by the Constitution and laws of the State and the rules and regulations of the Issuer to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Indenture and the Loan Agreement have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of and interest on, or the purchase price of, this bond or for any claims based thereon or on the Indenture against any official, officer, employee or agent of the Issuer or any person executing this bond, all such liability, if any, being expressly waived and released by the Registered Owner of this bond by the acceptance of this bond.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, Montgomery County, Maryland has caused this Bond to be executed in its name and on its behalf by its County Executive, by his manual or facsimile signature and by its Director of Finance, by his or her manual or facsimile signature, and has caused its corporate seal or a facsimile thereof to be reproduced hereon and attested by the Clerk of the County Council by her facsimile signature, all as of the Reference Date set forth above.

MONTGOMERY COUNTY, MARYLAND

[Seal]

By: _____
County Executive

By: _____
Director of Finance

Attest:

Clerk of the County Council

Certificate of Authentication

This bond is the bond designated herein and issued under the provisions of the within-mentioned Indenture. A signed original of the opinion of Bond Counsel to Montgomery County, Maryland, McKennon Shelton & Henn LLP, is on file with the undersigned.

Date of Authentication:

TRUIST BANK,
as Trustee

By: _____
Authorized Signatory

PAYMENT GRID

[illegible]



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/04/2020

EXHIBIT B

LOAN AGREEMENT

[See attached]



MONTGOMERY COUNTY, MARYLAND

and

GEORGETOWN PREPARATORY SCHOOL, INCORPORATED

LOAN AGREEMENT

Dated as of December 1, 2020

\$75,000,000
Montgomery County, Maryland
Economic Development Revenue Bonds
(Georgetown Preparatory School Project),
Series 2020



TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS

Section 1.01. Definitions.	2
Section 1.02. Rules of Construction.	2

ARTICLE II REPRESENTATIONS

Section 2.01. Representations by Institution.	3
--	---

ARTICLE III GENERAL AGREEMENTS; AMOUNTS PAYABLE; TIMES AND MANNER OF PAYMENT

Section 3.01. The Loan; Term of Loan Agreement.	4
Section 3.02. Amounts Payable.	4
Section 3.03. Loan Agreement a General Obligation of Institution.	5
Section 3.04. Obligation to Make Payments Absolute.	5
Section 3.05. Security Interest in Receipts.	5
Section 3.06. Financing Statements.	6

ARTICLE IV THE PROJECT

Section 4.01. Agreement to Acquire, Construct, Improve and Equip the New Improvements.	6
Section 4.02 Establishment of Completion Date.	7
Section 4.03 Institution Required to Pay in Event Construction Fund Insufficient.	7
Section 4.04. Right to Enter and Examine New Improvements.	7
Section 4.05. No Warranty.	7
Section 4.06. Use of Project.	8

ARTICLE V SPECIAL COVENANTS OF THE INSTITUTION

Section 5.01. Operation and Maintenance of Facilities.	8
Section 5.02. Compliance with Applicable Law.	8
Section 5.03. Insurance	8
Section 5.04. Payment of Obligations.	8
Section 5.05. Institution to Pay Impositions.	9
Section 5.06. Licensing; Accreditation.	9
Section 5.07. Federal Tax Exemptions.	9

Section 5.08. Bonds Not to Be Arbitrage Bonds.....	10
Section 5.09. Limitations on Merger, Consolidation and Transfer of Assets.	11
Section 5.10. Institution to Provide Information.....	11
Section 5.11. Limitations on Amendment of Lender Mode Credit Agreement; Covenant Compliance Certificate.....	12
Section 5.12. Further Assurances.....	12

ARTICLE VI EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default.....	12
Section 6.02. Remedies.	14
Section 6.03. No Waiver of Rights.	14
Section 6.04. Waiver of Default.....	14

ARTICLE VII PREPAYMENTS

Section 7.01. Redemption of Bonds.....	15
--	----

ARTICLE VIII MISCELLANEOUS

Section 8.01. Covenants for Benefit of Holders.....	15
Section 8.02. Compliance with Indenture.	15
Section 8.03. Actions of Institution and Issuer.	16
Section 8.04. Issuer's Liability Limited.	16
Section 8.05. Giving of Notice.....	17
Section 8.06. Amendment of Loan Agreement.....	18
Section 8.07. Counterparts.	18
Section 8.08. Severability.....	19
Section 8.09. Integration Clause.	19
Section 8.10. No Personal Liability.	19
Section 8.11. Maryland Law.	19

Appendix A -- Definitions	
Appendix B -- Description of Project	

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of December 1, 2020 and effective from the time of execution and delivery hereof between the parties (this “Loan Agreement,” as defined herein, is by and between **MONTGOMERY COUNTY, MARYLAND** (the “Issuer”), a body politic and corporate and a political subdivision of the State of Maryland and a public body within the meaning of the Act (hereinafter defined), and **GEORGETOWN PREPARATORY SCHOOL, INCORPORATED**, a nonstock corporation organized and existing under the laws of the State of Maryland (the “Institution”).

RECITALS

The Issuer is authorized by the Maryland Economic Development Revenue Bond Act, Sections 12-101 to 12-118, inclusive, of the Economic Development Article of the Annotated Code of Maryland (the “Act”), to accept loans and to issue obligations for the purposes of financing or refinancing any costs of the acquisition and improvement (as defined in the Act) of one or more facilities (as defined in the Act) for one or more facility users (as defined in the Act) or of refunding outstanding bonds, including the necessary expenses of preparing, printing, selling and issuing those bonds, the funding of reserves, and the payment of interest with respect to financing such acquisition and improvement in such amounts, or for such period, as the public body deems reasonable. To accomplish the acquisition and improvement of facilities from the proceeds of the sale of its bonds, the Issuer may lend such proceeds to one or more facility users under a loan agreement to be used to finance or refinance one or more facilities.

Pursuant to an Indenture of Trust dated as of December 1, 2020 (the “Indenture”) by and between the Issuer and Truist Bank, as trustee (the “Trustee”), the Issuer has authorized the issuance and delivery of its \$75,000,000 Economic Development Revenue Bonds (Georgetown Preparatory School Project), Series 2020 (the “Bonds”), for the purpose of financing and refinancing the Project (as defined in Appendix A).

The Lender (as defined in Appendix A) has agreed to purchase the Bonds and the Issuer has agreed to loan the proceeds thereof to Georgetown Preparatory School, Incorporated (the “Institution”) in order for the Institution to finance and refinance the Project.

None of the State of Maryland, any political subdivision thereof or the Issuer shall be obligated to pay the Bonds or the interest thereon except from the Revenues (defined herein) and from other sources as provided herein, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Issuer is pledged to the payment of the Bonds or the interest thereon. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State of Maryland or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Issuer shall be required to pay and perform its obligations under this Agreement and the Indenture only to the extent that there are Revenues from the Institution received pursuant to this

Loan Agreement, the Indenture or otherwise in connection with the financing and refinancing of the Project (defined herein) pursuant to this Loan Agreement sufficient to provide for such payment or performance.

MONTGOMERY COUNTY, MARYLAND and GEORGETOWN PREPARATORY SCHOOL, INCORPORATED, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, **DO HEREBY AGREE** as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions.

Certain terms used in the Indenture and this Loan Agreement are defined in Appendix A. Terms used herein shall have the meanings set forth in Appendix A unless a different meaning clearly appears from the context.

Section 1.02. Rules of Construction.

Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Loan Agreement:

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number.

(b) Words of the masculine gender include correlative words of the feminine and neuter genders.

(c) The headings and the Table of Contents set forth in this Loan Agreement are solely for convenience of reference and shall not constitute a part of this Loan Agreement or affect its meaning, construction or effect.

(d) Words importing persons include any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(e) Any reference to the Bond Fund, the Interest Account, the Principal Account, the Purchase Account or the Construction Fund shall be to the fund or account so designated that is created under Section 4.01 or 4.02 of the Indenture.

(f) During any period, other than the Lender Bond Period, the provisions of the Indenture and this Loan Agreement that relate to the Lender shall be of no force and effect.

(g) Any reference to a particular Article or Section shall be to such Article or Section of this Loan Agreement.

(h) The terms “agree” and “agreement” shall include and mean “covenant,” and all agreements contained in this Loan Agreement are intended to constitute covenants and shall be enforceable as such.

(i) Any reference to any particular time of day shall be to such time of day in Baltimore, Maryland.

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations by Institution.

The Institution makes the following representations as the basis for the undertakings on the Issuer’s part herein contained:

(a) (i) The Institution is a nonstock corporation duly organized and existing under the laws of the State of Maryland, is in good standing and is authorized to engage in business in the State of Maryland; (ii) the Institution has authority to own, lease as lessor and as lessee, mortgage as mortgagor and operate its facilities and has full right and lawful authority to execute and deliver this Loan Agreement; and (iii) the Institution has been duly authorized by proper corporate action to execute and deliver this Loan Agreement, and any and all instruments and documents necessary to the consummation of the transactions contemplated hereby.

(b) Neither the execution and delivery of this Loan Agreement nor the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions hereof or of the Indenture conflicts with or results in a breach of any of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the Institution is now a party or by which it is bound, constitutes a default or results in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Institution under the terms of any of the foregoing.

(c) (i) The Institution is an organization described in Section 501(c)(3) of the Code; (ii) it has received a letter from the Internal Revenue Service to that effect; (iii) such letter has not been modified, limited or revoked; (iv) it is in substantial compliance with all material terms, conditions and limitations, if any, contained in such letter; (v) the facts and circumstances that form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist; and (vi) it is exempt from federal income taxation under Section 501(a) of the Code.

(d) It is a corporation organized and operated exclusively for educational or charitable purposes and not for pecuniary profit, no part of the net earnings of which inures to the benefit of any person or private individual, all within the meaning, respectively, of Section 3(a)(4) of the Securities Act of 1933, as amended, and Section 12(g)(2)(D) of the Securities Exchange Act of 1934, as amended.

(e) The Facilities are entirely located within Montgomery County, Maryland.

ARTICLE III

GENERAL AGREEMENTS; AMOUNTS PAYABLE; TIMES AND MANNER OF PAYMENT

Section 3.01. The Loan; Term of Loan Agreement.

The Issuer shall lend the proceeds of the Bonds to the Institution by depositing the proceeds of the Bonds in accordance with the Indenture. Neither the Issuer nor the Institution shall have any legal or equitable interest in the proceeds of the Bonds or any proceeds of any investment thereof except to require their application in the manner and under the terms and conditions set forth in the Indenture. The Institution shall repay such loan by making the payments required under this Loan Agreement.

This Loan Agreement shall remain in full force and effect from the date of its execution and delivery until the date on which the principal or Redemption Price of and interest on the Bonds and all Annual Administrative Fees and Administrative Expenditures shall have been fully paid by or on behalf of the Institution or provision for the payment thereof shall have been made by or on behalf of the Institution as provided by the Indenture, at which time this Loan Agreement shall terminate and the Issuer shall release and cancel this Loan Agreement.

Section 3.02. Amounts Payable.

(a) Subject to the provisions of paragraph (d) below and Section 4.08 of the Indenture with respect to payments made directly to the Lender during any Lender Bond Period, the Institution shall pay or cause to be paid to the Trustee, as and when the same shall become due and payable in accordance with the terms of the Bonds, the Indenture and this Section, an amount equal to the sum of (i) the total interest becoming due on the outstanding Bonds to the respective dates of payment thereof, (ii) the total principal amount of the outstanding Bonds on the respective dates of payment thereof, (iii) all redemption premiums (if any) payable on the redemption of outstanding Bonds prior to stated maturity dates and (iv) the Purchase Price of outstanding Bonds required to be purchased in accordance with the Indenture, in each case less any amount available for such payments from the funds and accounts established under the Indenture.

(b) In addition, the Institution shall pay to the Issuer the Annual Administrative Fee and Administrative Expenditures upon certification of such amounts by the Issuer to the Institution in writing.

(c) To provide for the payment of the amounts due under this Section with respect to the Bonds, the Institution shall pay the following amounts on the following dates:

(i) on or before the Business Day immediately preceding each Interest Payment Date on the Bonds, the interest becoming due on the Bonds on such Interest Payment Date, or such lesser amount as shall be required to make the amount on deposit

in the Interest Account equal to the interest becoming due on the Bonds on such Interest Payment Date;

(ii) on or before the Business Day before each date on which a sinking fund installment for the Bonds, if any, becomes due as provided in Section 3.01(c) of the Indenture, the sinking fund installment for the Bonds due on such date, less any amount on deposit in the Principal Account available for the payment thereof; and

(iii) on each Purchase Date, upon demand by the Trustee, the amount required to pay the Purchase Price of the Bonds due on such date.

(d) The Institution hereby assents to the assignment of this Loan Agreement by the Issuer to the Trustee pursuant to the Indenture as security for the payment of the Bonds and the interest thereon and the performance of the obligations of the Issuer under the Indenture. The Issuer hereby directs the Institution, and the Institution hereby agrees, to make all payments with respect to the principal of and premium, if any, and interest on, and the Purchase Price of, the Bonds to the Trustee. Notwithstanding the provisions of this Section, payments of principal of and interest on the Bonds during the Lender Bond Period shall be made by the Institution directly to the holders of the Bonds.

Section 3.03. Loan Agreement a General Obligation of Institution.

This Loan Agreement is a general obligation of the Institution.

Section 3.04. Obligation to Make Payments Absolute.

The obligation of the Institution to pay or cause to be paid the amounts payable under this Loan Agreement shall be absolute, irrevocable, complete and unconditional and the amount, manner and time of payment of such amounts shall not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever regardless of any right of setoff, recoupment or counterclaim that the Institution might otherwise have against the Issuer, the Trustee or any other person and regardless of any contingency, *force majeure*, event or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place.

Section 3.05. Security Interest in Receipts.

As security for the performance by the Institution of its obligations hereunder, the Institution hereby grants to the Issuer a lien and claim on and a security interest in all of the Receipts, subject to no liens or encumbrances except Permitted Encumbrances. Without limiting the generality of the foregoing, this lien, claim and security interest shall continuously apply for the entire term of this Agreement to all rights to receive Receipts.

In order further to secure the punctual payment of amounts due hereunder and the performance of the obligations of the Institution hereunder and without in any way limiting any other provision hereof, the Institution agrees that unless waived by the Issuer, following the

occurrence of any Event of Default hereunder, any Receipts that are then on hand shall immediately, and any Receipts thereafter received shall upon their receipt, be transferred to the Trustee. Nothing contained in this Section shall be construed to preclude the Institution from applying its Receipts to its own uses so long as no Event of Default shall have occurred and be continuing.

Section 3.06. Financing Statements.

The Institution will, to the extent required by law, cause this Agreement and all supplements hereto, together with all related Uniform Commercial Code financing statements or other instruments, to be kept, recorded and filed in such manner and in such places as may be required by law in order to create, perfect, preserve and protect fully the security of any other collateral provided by or on behalf of the Institution. The Institution will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such further acts, instruments and transfers as may be required for the better securing, assuring, continuing, transferring, conveying, pledging, assigning and confirming unto the Issuer and the Trustee the Receipts.

The Institution will pay or cause to be paid all filing fees incident to such filing and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of such instruments of further assurance.

ARTICLE IV

THE PROJECT

Section 4.01. Agreement to Acquire, Construct, Improve and Equip the New Improvements.

The Institution agrees to make all contracts and do all things necessary for the acquisition, construction, improving, and equipping of the New Improvements to be completed as described in Appendix B, as such Appendix B may be amended from time to time by the Institution; provided, that in the case of any material change in such Appendix B, there shall be filed with the Issuer and the Trustee the written Approving Opinion of Bond Counsel to the effect that such change shall be permitted by the Act and shall not impair the exclusion of interest on any of the Bonds from the gross income of the owners thereof for federal income tax purposes. The Institution agrees to obtain all licenses, permits and consents required for the acquisition, construction and equipping of the New Improvements, and the Issuer shall have no responsibility therefor.

The Institution will not take any action or fail to take any action which would adversely affect the qualification of the Project under the Act or the exclusion of interest on the Bonds from gross income of the owners thereof for federal income tax purposes.

Section 4.02 Establishment of Completion Date.

The Completion Date shall be evidenced to the Issuer and the Trustee by a certificate signed by an Authorized Representative of the Institution stating that, except for amounts retained by the Trustee at the Institution's direction to pay any Cost of the Project not then due and payable, (i) construction of the New Improvements has been completed and all costs of labor, services, materials and supplies used in such construction have been paid, (ii) all equipment for the New Improvements has been installed, such equipment so installed is suitable and sufficient for the operation of the Project, and all costs and expenses incurred in the acquisition and installation of such equipment have been paid, and (iii) all other facilities necessary in connection with the New Improvements have been acquired, constructed, improved, and equipped and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon completion of the acquisition, construction, improving, and equipping of the New Improvements, the Institution agrees to cause such certificate to be furnished to the Issuer and the Trustee.

Section 4.03 Institution Required to Pay in Event Construction Fund Insufficient.

In the event the moneys in the Construction Fund available for payment of the Costs of the Project should not be sufficient to pay the Costs of the Project in full, the Institution agrees to complete the New Improvements and to pay that portion of the Costs of the Project in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project. The Institution agrees that if after exhaustion of the moneys in the Construction Fund, the Institution should pay any portion of the Costs of the Project pursuant to the provisions of this Section, the Institution shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Owners of any of the Bonds, nor shall the Institution be entitled to any diminution of the amounts payable under Section 3.02 hereof.

Section 4.04. Right to Enter and Examine New Improvements.

The Issuer and the Lender shall have the right, upon reasonable notice to the Institution, to enter upon, inspect and examine the New Improvements at any time during regular business hours in such manner as not to interfere with the normal operations of the Institution so far as practicable. Representatives of the Institution may accompany the employees, members or representatives of the Issuer on the premises.

Section 4.05. No Warranty.

Neither the Issuer nor the Lender makes any warranty, either express or implied, of the actual or designed capacity of the Facilities, of the suitability of the Facilities for the purposes specified in this Loan Agreement, of the condition, operational or environmental performance of

the Facilities or of the suitability of the Facilities for the purposes or needs of the Institution including but not limited to those who may occupy or use the Facilities.

Section 4.06. Use of Project.

The Institution shall operate the Bond-financed portions of the Project on a nonsectarian basis. No part of the Bond-financed portions of Project shall be used for sectarian religious instruction or as a place of sectarian religious worship or in connection with any part of the program of a school or a department of religion, theology or divinity.

ARTICLE V

SPECIAL COVENANTS OF THE INSTITUTION

Section 5.01. Operation and Maintenance of Facilities.

The Institution shall operate the Facilities in a sound and economical manner and shall maintain, preserve and keep the Facilities in good condition and repair. The Institution shall make all necessary and proper repairs, replacements and renewals so as to conduct the operation of the Facilities in accordance with all material governmental operating standards.

Section 5.02. Compliance with Applicable Law.

The Institution and the Facilities shall at all times comply in all material respects with all material laws, regulations, requirements and orders of governmental bodies applicable to the Institution and the Facilities, including (without limitation) laws, regulations and requirements pertaining to the licensure of an educational and student residential facility. The Institution shall have the right to contest the validity of any such laws, regulations, requirements or orders in good faith, so long as the ability of the Institution to comply with the provisions of this Loan Agreement is adversely affected thereby.

Section 5.03. Insurance

The Institution shall keep the Facilities adequately insured at all times and shall maintain with responsible insurers with respect to its facilities and operations insurance of such types, in such amounts and against such risks as are customarily maintained by persons in similar circumstances having facilities of a comparable type and size and offering comparable services as those of the Institution, including (without limitation) the following insurance to the extent that such insurance is customarily maintained by such persons and is available on commercially reasonable terms.

Section 5.04. Payment of Obligations.

The Institution shall fix, charge and collect student tuition and fees that, together with the Institution's general funds and any other money available to the Institution, shall provide money

at least sufficient at all times (i) to pay all payments required by this Loan Agreement, and (ii) to pay all other obligations of the Institution as they become due and payable.

Section 5.05. Institution to Pay Impositions.

The Institution shall pay, prior to the accrual of any interest or penalties thereon, all governmental impositions (including, without limitation, taxes and charges of every kind and nature whatsoever) and assessments, if any, lawfully levied or assessed upon or in respect of the Core Property, or upon any part thereof or upon any revenue therefrom and all ground rents, if any, on the Core Property. Nothing contained in this Section shall be construed to prevent the Institution from contesting in good faith any governmental imposition or assessment with respect to the Core Property, *provided* that such contest shall not materially adversely affect the effective use or operation of the Core Property or the Facilities.

Section 5.06. Licensing; Accreditation.

The Institution covenants and agrees to use its best efforts to maintain all permits, licenses, accreditations and other governmental approvals necessary for the operation of a private secondary school; provided, however, that nothing contained in this Loan Agreement shall be construed to obligate the Institution to retain or preserve any permits, licenses, accreditations or other governmental approvals no longer used or, in the reasonable judgment of the Institution, no longer useful for its operations.

Section 5.07. Federal Tax Exemptions.

(a) (i) The Institution shall not (A) perform any act or enter into any agreement that shall cause any revocation or adverse modification of the federal income tax status of the Institution or (B) carry on or permit to be carried on in its facilities or permit its facilities to be used in or for any trade or business, the conduct of which is not substantially related to the exercise or performance by the Institution of the purposes or functions constituting the basis for its tax-exempt status under the Internal Revenue Code of 1986 (the "Code"), if such use of such facilities would result in the loss by the Institution of its tax-exempt status under the Code. The Institution shall immediately take all steps necessary to restore its tax-exempt status under the Code if the Institution shall lose that status for any reason.

(ii) Notwithstanding the foregoing provisions of this Section, the Institution shall not be obligated to maintain its tax-exempt status as provided herein if there shall be delivered to the Issuer and the Trustee an Approving Opinion of Bond Counsel to the effect that such action will not adversely affect the excludability from gross income, for federal income tax purposes, of interest on the Bonds.

(b) It is the intention of the parties hereto that the interest on the Bonds be and remain excludable from gross income for federal income tax purposes and, to that end, the Institution covenants with the Issuer, the Trustee and each of the Holders from time to time of any Bonds that (i) the Institution shall take any and all action necessary to maintain the excludability from

gross income for federal income tax purposes of the interest on the Bonds and (ii) the Institution shall not perform any act or enter into any agreement, merger, consolidation or corporate reorganization, or use or permit the use of its facilities or any portion thereof in a manner that shall have the effect of terminating the excludability from gross income for federal income tax purposes of the interest paid on any Bonds, including (without limitation) leasing all or any portion of the facilities financed with the proceeds of the Bonds, contracting with a third party for the use or operation of all or any portion of the facilities financed with the proceeds of the Bonds, or entering into any merger, consolidation or corporate reorganization if entering into such lease, contract, merger, consolidation or corporate reorganization would have such effect.

Without limiting the generality of the foregoing, the Institution specifically agrees to enter into such further agreements in order to ensure the continued excludability from gross income for federal income tax purposes of the interest paid on the Bonds as the Issuer, upon the advice of Bond Counsel, may reasonably deem necessary or desirable. Such agreements may require (without limitation) the Institution to make payments to the Trustee for deposit into a fund designated by the Issuer in order to implement the provisions of this paragraph. Further, the Institution hereby agrees promptly to pay amounts to the Trustee for deposit to such fund or otherwise to make available to the Issuer amounts reasonably determined by the Issuer to be required for the payment of rebates to the United States of America, as directed by the Issuer in accordance with its obligations. As used in this Section, “rebate” means the required rebate payable to the United States of America and any penalty in lieu of rebate pursuant to Section 148(f) of the Code.

Section 5.08. Bonds Not to Be Arbitrage Bonds.

The Issuer will deliver on the date of issuance of the Bonds a Certificate (such Certificate, as it may be amended and supplemented from time to time, being referred to herein as a “Section 148 Certificate”) that complies with the requirements of Section 148 of the Code or any successor to such Section in effect on the date of issuance of any Bonds (“Section 148”) and that states the Issuer’s reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of such Bonds or of any money, securities or other obligations that may be deemed to be proceeds of such Bonds within the meaning of Section 148 (collectively, “Bond Proceeds”). The Institution recognizes that certain of the facts, estimates and circumstances required to be set forth in each Section 148 Certificate of necessity will be based upon the representations of the Institution. The Institution covenants to provide, or cause to be provided, such facts, estimates, and certifications as the Issuer reasonably considers necessary to enable it to execute and deliver its Section 148 Certificates. The Institution further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of any Bonds and will be, to the best of the knowledge of the officers of the Institution providing such facts and estimates, true, correct and complete as of that date, and (ii) the Institution will make reasonable inquiries to ensure such truth, correctness and completeness.

The Institution covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the Bond Proceeds that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148. The Institution further covenants that it

will comply with those provisions of Section 148 that are applicable to the Bonds on the date of issuance of such Bonds and with those provisions of Section 148 that may subsequently be lawfully made applicable to such Bonds.

The Issuer and the Institution shall hold and invest Bond Proceeds within their control (if such proceeds are invested) in accordance with the expectations of the Issuer set forth in the Section 148 Certificate. If the Issuer is of the opinion upon receipt of advice of Bond Counsel that it is necessary to restrict or limit the yield on the investment of any Bond Proceeds in order to avoid the Bonds being considered “arbitrage bonds” within the meaning of Section 148, the Institution shall take such action as is necessary to restrict or limit the yield on such investment, irrespective of whether the Institution is of the same or a different opinion. Upon the Request of the Institution and receipt of advice of Bond Counsel the Issuer may, and upon receipt of an approving ruling from the Internal Revenue Service or a decision of a court of competent jurisdiction the Issuer shall, take such action as is necessary to remove or modify a restriction or limitation on the yield on the investment of any Bond Proceeds that was formerly deemed necessary.

The Issuer shall incur no liability in connection with action as contemplated herein so long as the Issuer acts in good faith.

The Institution agrees that, so long as this Loan Agreement shall be in effect, the Institution will not purchase or, to the extent it exercises control or direction, permit any related person (as defined in Section 144(a)(3) of the Code) or related party (as used in Income Tax Regulation Section 1.150-1(b)) to purchase, pursuant to any arrangement, formal or informal, bonds of the Issuer in an amount related to the amount of any loan to the Institution of the proceeds of the Bonds under this Loan Agreement.

Section 5.09. Limitations on Merger, Consolidation and Transfer of Assets.

The Institution shall not merge or consolidate with, or transfer all or substantially all of its assets to, any other person, unless each of the following conditions is satisfied:

(a) the surviving, resulting or transferee corporation (the “Surviving Corporation”) assumes in writing all of the obligations of the Institution under this Loan Agreement; and

(b) at least 30 days prior to effecting such merger, consolidation or transfer, there shall be filed with the Issuer and the Trustee any other opinion, report, document, evidence, undertaking or other action that the Issuer or the Lender reasonably may require.

Section 5.10. Institution to Provide Information.

Whenever requested by the Issuer or the Lender, the Institution shall provide and certify, at the Institution’s expense, such information concerning the Project and the Institution as the Issuer or the Lender, respectively, may reasonably request.

Section 5.11. Limitations on Amendment of Lender Mode Credit Agreement; Covenant Compliance Certificate.

(a) The Institution shall not amend or modify the schedule of annual installments related to the principal installments on the Bonds set forth in Exhibit C to the Lender Mode Credit Agreement without the prior written consent of the Issuer (which consent shall not be unreasonably held). The Institution shall not agree to any amendment, modification or waiver of Sections 5.1 (Financial Statements), 5.2 (Debt Service Coverage Ratio) or 5.3 (Unrestricted Liquidity) of the Lender Mode Credit Agreement unless the Institution has provided the Issuer and the Trustee prior written notice at least five Business Days prior to entering into or agreeing to any such amendment, modification or waiver.

(b) The Institution shall provide to the Issuer contemporaneously with the provision to the Lender, a copy of any covenant compliance certificate in substantially the form required by the Lender Mode Credit Agreement.

Section 5.12. Further Assurances.

The Institution shall execute, acknowledge and deliver such further resolutions, assurances and other instruments and certificates as may be necessary or desirable for better assuring and confirming the rights of the Issuer and the holders of the Bonds.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01. Events of Default.

The following shall be “Events of Default” under this Loan Agreement, and the terms “Event of Default” or “Default” shall mean, whenever they are used in this Loan Agreement, any one or more of the following events:

(a) the Institution shall fail to pay when due any payment required to be paid under Section 3.02, provided, however, during the Initial Term Rate Period and any other Lender Bond Period, the failure to make such payment shall not constitute an Event of Default hereunder if such payment is made within five days of the date on which the same is due and payable as herein provided;

(b) the Institution shall fail to pay when due any other amount required to be paid under this Loan Agreement, which failure shall continue for a period of 30 days after Notice specifying such failure and requesting that it be remedied, is given to the Institution by the Issuer or the Trustee;

(c) the Institution shall fail to perform, observe or comply with any other of the terms, covenants, conditions or provisions contained in this Loan Agreement, which failure shall continue for a period of 60 days after Notice thereof shall have been given to the Institution by

the Issuer, the Trustee or the Lender, *provided* that, if the Institution shall proceed to make any repair, restoration or replacement or take any curative action that, if begun and prosecuted with due diligence, cannot be completed within a period of 60 days, then such period shall be increased to such extent as shall be necessary to enable the Institution to complete such repair, restoration or replacement or other curative action through the exercise of due diligence; or

(d) any Event of Default under and as defined in the Indenture shall occur; or

(e) The Trustee shall receive a written notice from the Lender that an event of default has occurred under the Lender Mode Credit Agreement, which notice may in addition instruct the Trustee to accelerate the Bonds; or

(f) if the Institution shall become insolvent or the subject of insolvency proceedings or shall file a petition or other pleading seeking an “order for relief” within the meaning of the United States Bankruptcy Code, or shall file any petition or other pleading seeking any reorganization, composition, readjustment, liquidation of assets or similar relief for itself under any present or future law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Institution, or of substantially all of the assets of the Institution, or shall make a general assignment for the benefit of creditors, or shall be unable or admit in writing its inability to pay its debts generally as they become due; or

(g) if a petition or other pleading shall be filed against the Institution seeking an “order for relief” within the meaning of the United States Bankruptcy Code or any reorganization, composition, readjustment, liquidation of assets or similar relief under any present or future law or regulation, and shall remain undismissed or unstayed for an aggregate period of 120 days (whether or not consecutive), or if, by an order or decree of a court of competent jurisdiction, the Institution shall become the subject of an “order for relief” within the meaning of the United States Bankruptcy Code or relief shall be granted under or pursuant to any such petition or other pleading, or if, by order or decree of such court, there shall be appointed, without the consent or acquiescence of the Institution, a trustee in bankruptcy or reorganization or a receiver or liquidator of the Institution or of all or any substantial part of the property of the Institution, and any such order or decree shall have continued unvacated or unstayed, on appeal or otherwise, and in effect for a period of 120 days.

The provisions of paragraph (c) of this Section are subject to the following limitations: If by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States or of the State of Maryland, or any department, agency, political subdivision or official thereof, or any civil or military authority, insurrections, riots, infection, pandemics or epidemics (including SARS-CoV-2 coronavirus), landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery or transmission pipes, partial or entire failure of utilities, or any cause or event not reasonably within the control of the Institution, the Institution is unable in whole or in part to carry out its agreements referred to in paragraph (c) of this Section, the Institution shall not be deemed in default during the continuance of such inability. The Institution shall use all commercially reasonable efforts to remedy with all reasonable dispatch

the cause preventing it from carrying out its agreements, *provided*, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Institution, and the Institution shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party when such course is, in the judgment of the Institution, unfavorable to the Institution. Any failure of the Institution to perform its obligations under Section 3.02 upon any notice or lapse of time or both provided in this Section shall constitute an Event of Default regardless of the reason for such failure to perform.

Section 6.02. Remedies.

Upon the occurrence of an Event of Default, during the Lender Bond Period upon the written direction of the Lender, and during any other Interest Rate Period upon the written direction of no less than a majority of the Holders of the Bonds, the Trustee shall (i) accelerate the payment of the amounts payable under this Loan Agreement upon Notice to the Institution and the Issuer, whereupon the entire unpaid amount payable under this Loan Agreement immediately shall become due and payable without further demand upon the Institution, and (ii) take any action at law or in equity to collect the payments due and thereafter to become due, or to enforce the performance and observance of any obligation, agreement or covenant of the Institution under this Loan Agreement, as directed by the Lender or a majority of the Holders of the Bonds, as applicable. Notwithstanding the foregoing provisions of this Section, during the Lender Bond Period, the Trustee may not declare the principal amount of the Bonds to be due and may not annul any such declaration without the consent of the Lender.

Section 6.03. No Waiver of Rights.

No failure or delay by the Issuer or the Trustee in exercising any right, remedy, power or privilege hereunder or under the Indenture or any single or partial exercise thereof nor the exercise of any other right, remedy, power or privilege shall affect the rights, remedies, powers or privileges of the Issuer or the Trustee hereunder or shall operate as a waiver thereof. The rights, remedies, powers and privileges of the Issuer and the Trustee hereunder are cumulative and not exclusive of any other rights, remedies, powers or privileges now or hereafter existing at law or in equity.

Section 6.04. Waiver of Default.

In the event that any agreement contained herein shall be breached by either party and such breach shall thereafter be waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VII

PREPAYMENTS

Section 7.01. Redemption of Bonds.

The Institution shall have the right to prepay the loan hereunder, in whole or in part on any date on which the Bonds are subject to redemption in an amount not exceeding the principal amount of the Bonds subject to redemption on such date, upon Notice by the Institution to the Issuer, the Lender and the Trustee, which Notice shall be given at least 15 days before the date on which notice of the redemption of the Bonds to be redeemed is required to be given to the holders (or such fewer number of days as shall be acceptable to the Trustee), and upon the payment by the Institution to the Trustee for the account of the Issuer of an amount equal to the sum of (i) the aggregate principal amount of the Bonds to be redeemed, (ii) accrued interest thereon to the date that the Bonds are to be redeemed, (iii) redemption premiums, if any, due thereon on such redemption date, and (iv) the Annual Administrative Fee, Administrative Expenditures and all other reasonable costs of the Issuer and the Trustee in connection with such redemption, less the amount on deposit in the Bond Fund available to be applied to the redemption of the Bonds; provided however that during a Lender Bond Period no notice of redemption shall be required for any optional redemption required by the Lender Mode Credit Agreement to amortize the principal amount of the Bonds.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Covenants for Benefit of Holders.

This Loan Agreement is executed in part to induce the purchase by others of the Bonds, and accordingly, all covenants and agreements on the part of the Institution and the Issuer set forth in this Loan Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds. This Loan Agreement and any property and funds held by the Issuer or the Trustee pursuant to this Loan Agreement and the Indenture are held for the benefit of the holders of the Bonds and shall not be available to satisfy claims of holders of other issues of the Issuer's bonds or of any other creditors of the Issuer, including (without limitation) any judgment creditors or any secured or other lien creditors, whether such claims now exist or hereafter come into existence. Nothing in this Section shall be construed to give any holder of the Bonds any rights to enforce any provisions hereof or to exercise any remedies herein provided except as otherwise provided in the Indenture.

Section 8.02. Compliance with Indenture.

The Institution has reviewed the Indenture and hereby assents to all provisions of the Indenture. The Institution shall take such action as may be necessary in order to enable the Issuer to comply with all requirements and to fulfill all covenants of the Indenture to the extent

that compliance with such requirements and fulfillment of such covenants are dependent upon any observance or performance required of the Institution by the Indenture or this Loan Agreement. The Institution agrees to perform any obligations and requirements imposed on it under the terms of the Indenture.

Section 8.03. Actions of Institution and Issuer.

The Institution agrees that all actions heretofore or hereafter taken by it and all actions hereafter taken by the Issuer upon the recommendation or request of any officer of the Institution have been and will be in full compliance with the Indenture and this Loan Agreement. The Institution acknowledges that any review of any such actions heretofore or hereafter made by the Issuer's staff or Bond Counsel has been or will be solely for the protection of the Issuer. Neither such review nor any action taken by the Issuer under the Indenture or this Loan Agreement shall estop or otherwise preclude the Issuer or the Trustee from enforcing this Loan Agreement.

Section 8.04. Issuer's Liability Limited.

The Issuer and its officers, employees and agents shall incur no liability in connection with the issuance of the Bonds, the execution and delivery of the Indenture and this Loan Agreement, the exercise of the rights and powers of the Issuer hereunder or thereunder or the performance by the Issuer of its obligations hereunder or under the Indenture. No recourse shall be had by the Institution for any claims based on the Indenture or this Loan Agreement against any officer, employee or agent of the Issuer, all such liability, if any, being expressly waived by the Institution by its execution and delivery of this Loan Agreement.

In the exercise of the powers of the Issuer and its officers, employees and agents under the Indenture or this Loan Agreement, including (without limitation) the application of moneys and the investment of funds, the Issuer shall not be accountable to any person for any action taken or omitted by it or its officers, employees or agents in good faith and believed by it or them to be authorized or within the discretion, rights or powers conferred.

The Issuer and its officers, employees and agents shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Loan Agreement or the Indenture upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, note or other document that it or they shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper body or person or to have been prepared and furnished pursuant to any of the provisions of the Indenture or this Loan Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant or accountant believed by it or them to be qualified in relation to the subject matter, and it and they shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Issuer and its officers, employees and agents may consult with counsel, who may or may not be Bond Counsel, counsel to the Issuer or counsel to the Institution, and an Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it or them in good faith and in accordance therewith.

Whenever the Issuer or its officers, employees or agents shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture or this Loan Agreement, such matter may be deemed to be conclusively proved and established by a Certificate of the Institution, unless other evidence in respect thereof is specifically required under the Indenture or this Loan Agreement. Such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Issuer or its members, officers, employees or agents may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it or they may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Issuer or the Institution shall be sufficiently executed if executed in the name of such person by an Authorized Officer thereof.

The Institution shall indemnify the Issuer and each of its officers, employees and agents and save them harmless against any liability precluded by this Section. Without limiting the generality of the foregoing, the Institution shall indemnify and hold harmless the Issuer and its officers, employees and agents from and against any and all losses, claims, demands, damages, assessments, taxes, levies, charges, liabilities, costs and expenses, of every conceivable kind, character and nature whatsoever (including, without limitation, reasonable fees, costs and expenses of attorneys, accountants, consultants and other experts) incurred in connection with the issuance of the Bonds and the financing of the Project (collectively referred to hereinafter in this Section as “Damages”) as follows:

(a) for all Damages arising out of, resulting from or in any way connected with this Loan Agreement, including (without limitation) any accident, injury (including death) or damage to any person or property, however caused, resulting from, connected with or growing out of any act of commission or omission of the Institution or any officers, employees, agents, assignees, contractors or subcontractors of the Institution, or any use, non-use, possession, occupation, condition, operation, service, design, construction, acquisition, maintenance or management of, or on, or in connection with, the Project or any other facilities of the Institution or any part thereof;

(b) for all Damages arising out of, resulting from or in any way connected with the Bonds or the Indenture, including (without limitation) the validity of the Bonds; and

(c) any failure of interest on the Bonds to be excludable from gross income for federal income tax purposes.

The indemnification provided hereunder shall survive the termination of this Loan Agreement, the payment in full of the Bonds, and the discharge of the Indenture.

Section 8.05. Giving of Notice.

All notices required to be given or authorized to be given pursuant to this Loan Agreement shall be given by hand or courier service or sent by registered or certified mail, postage prepaid, addressed to:

If to the Issuer:

Montgomery County, Maryland
Department of Finance
101 Monroe Street, 15th Floor
Rockville, MD 20850

If to the Trustee:

Truist Bank
2713 Forest Hills Road, Building 2
Wilson, NC 27893

If to the Institution:

Georgetown Preparatory School, Inc.
10900 Rockville Pike
North Bethesda, MD 20850
Attention: Robert Posniewski

With a copy to:
Ballard Spahr, LLP
1909 K Street, NW
Washington, DC 20006
Attention: Joe Fanone, Joyce Gorman and Vicky Tsilas

If to the Lender:

STI Institutional & Government, Inc.
1445 New York Avenue, NW
4th Floor
Washington, DC 20005

or to such other address as any of such parties shall specify by Notice given hereunder.

Section 8.06. Amendment of Loan Agreement.

This Loan Agreement may be amended only by written agreement of the parties hereto in accordance with Section 8.04 of the Indenture.

Section 8.07. Counterparts.

This Loan Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts together shall constitute but one and the same Loan Agreement.

Section 8.08. Severability.

If any clause, provision or section of this Loan Agreement is held illegal or invalid by any court, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Loan Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Loan Agreement is held to be in violation of law, such agreement or obligation shall nevertheless be determined to be the agreement or obligation of the Issuer or the Institution, as the case may be, to the full extent permitted by law.

Section 8.09. Integration Clause.

This Loan Agreement supersedes any other prior agreements or understandings written or oral, between the parties with respect to the issuance of the Bonds, including (without limitation) the application letter submitted by the Institution to the Issuer.

Section 8.10. No Personal Liability.

No covenant, stipulation, obligation or agreement of the Institution in this Loan Agreement or any other documents executed and delivered in connection with the issuance of the Bonds (including any indemnification obligation) shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, employee, board member, advisor or agent of the Institution in his or her individual capacity, and none of such persons shall be liable personally on the Bonds or any other documents executed and delivered in connection with the issuance of the Bonds or be subject to any personal liability or accountability by reason of the issuance, execution and delivery thereof.

Section 8.11. Maryland Law.

This Loan Agreement is executed and delivered with the intent that the laws of the State of Maryland, except for principles of conflict of laws (including, without limitation, the Act) shall govern.

(Remainder of page left blank intentionally)

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed, sealed and delivered as of the day and year first written above.

(SEAL)

MONTGOMERY COUNTY, MARYLAND

ATTEST:

By: _____
Richard S. Madaleno
Chief Administrative Officer

Name:
Title:

**GEORGETOWN PREPARATORY SCHOOL,
INCORPORATED**

WITNESS/ATTEST:

By: _____ (SEAL)
Rev. James R. Van Dyke, S.J.
President

[Signature page to Loan Agreement]

APPENDIX A

DEFINITIONS

“Act” means the Economic Development Revenue Bond Act, Sections 12-101 through 12-118 of the Economic Development Article of the Annotated Code of Maryland, as amended and all future acts supplemental thereto or amendatory thereof.

“Administrative Expenditures” means any expenditures of the Issuer for insurance, fees and expenses of auditing and fees and expenses of the Trustee, including reasonable counsel fees, costs and expenses under the Indenture, the Loan Agreement not otherwise paid or provided for by the Institution, and all other expenditures reasonably and necessarily incurred by the Issuer by reason of its financing and refinancing of the Project, including (without limitation) legal, financing and administrative expenses, fees and expenses of the Issuer’s financial advisor and expenses incurred by the Issuer to compel full and punctual performance of the Loan Agreement in accordance with the terms thereof.

“Agency Obligations” means direct obligations (including bonds, notes or participation certificates) of, or obligations the timely payment of the principal of and the interest on which are unconditionally guaranteed by, any agency or instrumentality of the United States of America, including (without limitation) the Export-Import Bank of the United States, the Federal Housing Administration, the Government National Mortgage Association, the Farmers Home Administration, the Federal Financing Bank, the Department of Housing and Urban Development, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

“Alternate Rate” means, when used with respect to any Interest Period during which Bonds bear interest at the Daily Rate, the Weekly Rate or the Flexible Rate, the rate as determined by the Remarketing Agent on or before the first day of the most recent period in which such Bonds began bearing interest at the Daily Rate, the Weekly Rate or a Flexible Rate, respectively, that would enable the Remarketing Agent to sell all such Bonds after the occurrence of one of the events set forth in Section 2.02(g)(i)-(iv) of the Indenture. The Remarketing Agent shall make any Alternate Rate determined as provided herein available to the Issuer, the Institution and the Trustee and the other Notice Parties.

“Ancillary Projects” means the New Improvements consisting of the renovation of Boland Hall and Gunlocke Hall, and three future years of capital expenditures.

“Annual Administrative Fee” means the annual fee for the general administrative services of the Issuer in such amount per year equal to one-tenth of one percent (1/10%) of the outstanding principal amount of Bonds under the Indenture, as such fee shall be calculated based on the principal amount of Outstanding Bonds on the date due and shall be payable annually on each December 10, beginning December 10, 2020.

“Applicable Percentage” means, when used with respect to or in connection with the Bonds during any LIBOR Index Floating Rate Period applicable to the Bonds, the percentage

determined by the Calculation Agent or the Remarketing Agent, as applicable in accordance with Section 2.02(c) of the Indenture, on or before the first day of such LIBOR Index Floating Rate Period that, when multiplied by the sum of the Index for such LIBOR Index Floating Rate Period and the Applicable Spread, will produce the minimum interest rate per annum that would enable the Remarketing Agent to sell the Bonds on such date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.

“Applicable Spread” means, when used with respect to any Index Floating Rate Period, the number of basis points, which may be a negative number (expressed as a percentage) determined by the Calculation Agent or Remarketing Agent, as applicable, having due regard for prevailing market conditions for bonds or other securities comparable as to tax treatment, credit and maturity to the Bonds, in accordance with Section 2.02(c) of the Indenture on or before the first day of such Index Floating Rate Period that, when added to the SIFMA Index or the product of the Applicable Percentage and the LIBOR Rate for such Index Floating Rate Period, would equal the minimum interest rate per annum that would enable the Remarketing Agent to sell the Bonds on such date at a price equal to the principal amount thereof, plus accrued interest, if any, thereon.

“Approving Opinion” means, with respect to any action relating to the Bonds, the occurrence of which requires an Opinion of Counsel, an Opinion of Counsel delivered by Bond Counsel to the effect that such action (i) is permitted by the Indenture, and (ii) will not adversely affect the excludability from gross income of interest paid on the Bonds for federal income tax purposes.

“Authorized Denomination” means (a) during any Term Rate Period (except the Initial Term Rate Period) or Fixed Rate Period, \$5,000 and any integral multiple thereof and (b) during any Index Floating Rate Period, Daily Rate Period, Weekly Rate Period or Flexible Rate Period, \$100,000 and any integral multiple of \$5,000 in excess of \$100,000; *provided however*, notwithstanding the foregoing, during the Initial Term Rate Period and any other Lender Bond Period, \$100,000 and any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (i) in the case of the Issuer, the County Executive, the Chief Administrative Officer, the Director of Finance of the County and any other person authorized by the County to act on its behalf under or with respect to the Indenture or the Loan Agreement by written certificate executed by the Director of Finance of the County and delivered to the Trustee and (ii) in the case of the Institution, the President or Vice President of the Institution and, when used with reference to any act or document also means any other person authorized by appropriate action of the President or Vice President of the Institution to perform such act or execute such document on behalf of the Institution.

“Beneficial Owner” means, if the Bonds are held under a Book-Entry System, any person who acquires a beneficial ownership interest in the Bonds.

“Bonds” means the Montgomery County, Maryland Economic Development Revenue Bonds, Georgetown Preparatory School Issue, Series 2020, authorized by Section 2.01 of the Indenture.

“Bond Counsel” means a law firm appointed by the Issuer having a national reputation in the field of municipal law whose legal opinions are generally accepted by purchasers of municipal bonds. The firm of McKennon Shelton & Henn LLP is hereby recognized as constituting Bond Counsel, subject to further action by the Issuer.

“Book-Entry System” means a book-entry system established and operated for the recordation of beneficial ownership interests in the Bonds pursuant to the Indenture.

“Business Day” means a day other than (i) a Saturday, Sunday or other day on which banking institutions in the State of Maryland or the city in which the Designated Office of the Trustee is located are authorized or required to close or (ii) a day on which the New York Stock Exchange is closed.

“Calculation Agent” means (i) during a Lender Bond Period, the Lender, and (ii) during any other period, such agent as shall be appointed by the Institution, and its successors. Notwithstanding any provision to the contrary, in no event shall the Trustee be deemed to be the Calculation Agent unless it has specifically agreed to assume such duties pursuant to a separate written agreement. In the event the Trustee serves as the Calculation Agent, it shall be entitled in its capacity as Calculation Agent to all rights and protections granted to the Trustee under the Indenture and the Loan Agreement. The Calculation Agent may resign from its duties as Calculation Agent upon 30 days’ written notice to the Issuer, which resignation shall take effect upon the appointment of a successor; *provided* however, if no successor Calculation Agent shall have been so appointed and accepted appointment within 30 days of such resignation, the Calculation Agent or any Bond owner may, at the expense of the Institution, petition any court of competent jurisdiction for the appointment of a successor Calculation Agent until a successor shall have been appointed as above provided.

“Certificate,” “Notice,” “Opinion,” “Order,” “Request,” “Requisition” and **“Statement”** mean, respectively, a written certificate, notice, opinion, order, request, requisition or statement, in form and substance satisfactory to the Issuer, signed (i) when used with respect to the Issuer or the Institution, by an Authorized Officer of the Issuer or the Institution, respectively, and (ii) when used with respect to any other person, by an authorized officer thereof. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the instruments so combined shall be read and construed as a single instrument.

“Change in Law” means (i) the adoption of any applicable law, rule or regulation after the date of the Indenture, (ii) any change in any applicable law, rule or regulation, or any change in the interpretation, implementation or application thereof, by any Governmental Authority after the date of the Indenture, or (iii) compliance by the Lender with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of the Indenture; provided, that for purposes of the Indenture, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any

successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time, and any subsequent federal tax law.

“**Completion Date**” means December 10, 2023.

“**Core Property**” means the educational facilities of the Institution located on its campus in North Bethesda, Maryland.

“**Cost**” means, when used with respect to the Project, all items permitted to be financed or refinanced under the provisions of the Code and the Act.

“**Credit Facility**” means any letter of credit, bond insurance policy, bond purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing the Bonds.

“**Daily Mode**” means the Mode during which the Bonds bear interest at the Daily Rate.

“**Daily Rate**” means the per annum interest rate on the Bonds determined pursuant to Section 2.02(d) of the Indenture on each Business Day.

“**Daily Rate Period**” means the period from and including the Business Day upon which a Daily Rate is set to but not including the next succeeding Business Day.

“**Default Rate**” means the interest rate per annum obtained by adding [3.00]% to the respective rate or rates otherwise in effect with respect to the Bonds; *provided*, however, that the Default Rate shall not be higher than the maximum rate permitted by then applicable law.

“**Designated Office**” means, when used with reference to the Trustee, the corporate trust office of the Trustee at which notices to the Trustee are required to be sent pursuant to Section 10.09 of the Indenture.

“**Dormitory Project**” means the construction of a new dormitory as part of the New Improvements.

“**Electronic Means**” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“**Event of Default**” means, when used in or with respect to the Indenture, any Event of Default specified in Section 7.01 thereof, and when used in or with respect to the Loan Agreement, any Event of Default specified in Section 6.01 thereof.

“**Event of Taxability**” means:

(a) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Issuer and the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Bonds is not excludable from gross income of the owners thereof for federal income tax purposes;

(b) receipt by the Issuer, the Trustee or the Institution of written notice that the Internal Revenue Service has issued a “notice of deficiency” or similar notice to any present or former Holder assessing a tax in respect of any interest on the Bonds as a result of such interest not being excludable from gross income for federal income tax purposes, provided that such notice has not been withdrawn by the Internal Revenue Service and from which such Holder (or the Institution or the Trustee on behalf of the Bondholder, if allowable) has not filed a timely petition in the United States Tax Court contesting the same; or

(c) the delivery to the Institution, the Trustee and the Issuer of an opinion of Bond Counsel, delivered at the request of the Institution or the Lender, to the effect that (i) interest on the Bonds is not excludable from the gross income of a holder thereof for federal income tax purposes, (ii) redemption of some or all of the Bonds is required under the terms of a settlement or closing agreement with the Internal Revenue Service of an audit of the Bonds or under the terms of a closing agreement with the Internal Revenue Service pursuant to the Voluntary Closing Agreement Program, or any successor to such program, or (iii) redemption of some or all of the Bonds is required in order to effect a remedial action, as described in Treas. Reg. §1.141-12, necessary to protect the tax-exemption of the Bonds.

“Facilities” means collectively, the New Improvements and existing portions of the Core Property that are being refinanced with proceeds of the Bonds, as described in Appendix B to the Loan Agreement.

“Fiscal Year” means the fiscal year of the Institution, being the period commencing on July 1 of any calendar year and ending on June 30 of the following calendar year, or such other 12-month period as the Institution shall establish as its fiscal year.

“Fixed Rate” means the per annum interest rate on the Bonds determined in accordance with Section 2.02(f) of the Indenture.

“Fixed Rate Bond” means the Bonds in the Fixed Rate Mode.

“Fixed Rate Mode” means the Mode during which the Bonds bear interest at the Fixed Rate.

“Fixed Rate Period” means the period from and including the Mode Change Date upon which the Bonds are converted to the Fixed Rate Mode to but not including the Maturity Date.

“Flexible Mode” means the Mode during which the Bonds bear interest at the Flexible Rate.

“Flexible Rate” means the per annum interest rate on the Bonds determined in accordance with Section 2.02(e) of the Indenture. The Bonds in the Flexible Mode may bear interest at different Flexible Rates.

“Flexible Rate Bond” means the Bonds in the Flexible Mode.

“Flexible Rate Period” means a period during which a Flexible Rate Bond shall bear interest at a Flexible Rate, as established by the Remarketing Agent in accordance with Section 2.02(e) of the Indenture.

“Governmental Authority” means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Government Obligations” means direct obligations of, or obligations the full and timely payment of the principal of and the interest on which are unconditionally guaranteed by, the United States of America.

“Holder,” “holder,” “owner” or any similar term, when used with reference to a Bond, means the registered owner of such Bond.

“Indenture” means the Indenture of Trust dated as of December 1, 2020, between the Issuer and the Trustee, as amended, modified or supplemented from time to time by Supplemental Indenture.

“Index” means during any Index Floating Rate Period, any of (i) LIBOR (or if applicable, the Replacement Index Floating Rate), (ii) the SIFMA Index, or (iii) another index selected by the Remarketing Agent on or before the first day of such Index Floating Rate Period.

“Index Floating Rate Mode” means the Mode during which the Bonds bear interest at the Index Floating Rate.

“Index Floating Rate” means the per annum interest rate on the Bonds determined in accordance with Section 2.02(c) of the Indenture.

“Index Floating Rate Bond” means Bonds in the Index Floating Rate Mode.

“Index Floating Rate Period” means the period from and including the first day of any period during which the Bonds bear interest at an Index Floating Rate to but excluding the earliest of (i) the Business Day following the last day of such period, (ii) the immediately succeeding Mode Change Date applicable to the Bonds, and (iii) the Maturity Date.

“Initial Term Rate” means 2.20% per annum multiplied by the Margin Rate Factor.

“Initial Term Rate Period” means the period from and including the date of initial authentication and delivery of the Bonds until the earlier of (i) the immediately succeeding Mode Change Date or (ii) the Lender Purchase Date.

“Institution” means Georgetown Preparatory School, Incorporated, a Maryland nonstock corporation, duly organized and existing under the laws of the State of Maryland and its successors.

“Interest Accrual Period” means the period during which the Bonds accrue interest payable on an Interest Payment Date. Each Interest Accrual Period shall commence on (and include) the last Interest Payment Date to which interest has been paid (or, if no interest has been paid, the date of original authentication and delivery of the Bonds) to, but not including, the Interest Payment Date on which interest is to be paid.

“Interest Payment Date” means each date on which interest is to be paid on the Bonds, and shall be: (i) during the Initial Term Rate Period, on June 1, 2021 and each June 1 and December 1 thereafter, (ii) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date applicable thereto; (iii) with respect to the Bonds in the Daily Mode, the Weekly Mode or an Index Floating Rate Period, the first Business Day of each month; (iv) with respect to the Bonds in a Long-Term Interest Period other than the Term Rate Mode during the Initial Term Rate Period, the first day of the sixth calendar month following the month in which such Long-Term Mode takes effect, and the first day of each sixth calendar month thereafter or any other six-month interval chosen by the Issuer at the Request of the Institution (beginning with the first such day which is at least three months after the Mode Change Date); (v) with respect to a Term Rate Period other than the Initial Term Rate Period, the day following the last day of each Interest Period; and (vi) with respect to any Bond (a) each Mode Change Date applicable to such Bond, other than a date on which the Mode changes between the Daily Mode and the Weekly Mode, and (b) the Maturity Date.

“Interest Period” means, for the Bonds in a particular Mode, the period of time that such Bonds bear interest at a single rate per annum, and shall include a Flexible Rate Period, a Daily Rate Period, a Weekly Rate Period, a Term Rate Period and a Fixed Rate Period.

“Investment Obligations” means:

- (i) Government Obligations;
- (ii) Agency Obligations;
- (iii) negotiable or nonnegotiable certificates of deposit issued by commercial banks, trust companies or savings and loan associations (including the Trustee and any of its affiliates) and continuously secured (to the extent not fully insured by the Federal Deposit Insurance Corporation), for the benefit of the Issuer and the Trustee, either (a) by lodging with a bank or trust company, acting as agent for the Trustee or the Issuer, as the case may be, as collateral security, Government Obligations or Agency Obligations or, with the approval of the Issuer, other marketable securities eligible as security for the deposit of trust funds under applicable

regulations of the Comptroller of the Currency of the United States of America or applicable state law or regulations, having a market value not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) of this paragraph is not permitted by applicable law, in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds;

(iv) repurchase agreements for Government Obligations or Agency Obligations or investment agreements that are, or are issued or guaranteed by an entity, including the Trustee and any of its affiliates, rated by Moody's or S&P in its highest rating category or fully collateralized by Government Obligations or Agency Obligations (any such collateralized investment agreement being referred to herein as a "Collateralized Investment Agreement"); *provided* that (a) such Government Obligations or Agency Obligations shall be delivered to the Trustee or supported by a safekeeping receipt issued by a depository satisfactory to the Issuer or other confirmatory documentation satisfactory to the Issuer; (b) the Trustee or the Issuer (as the case may be) shall have a perfected security interest in such Government Obligations or Agency Obligations; (c) such Government Obligations or Agency Obligations shall be free and clear of any other liens or encumbrances; and (d) such repurchase agreements or Collateralized Investment Agreements shall provide that the value of the underlying Government Obligations or Agency Obligations shall be continuously maintained at a current market value of not less than 102% of the repurchase price or the amount deposited thereunder, respectively (the value of such Government Obligations or Agency Obligations to be determined by the Trustee or its agent at least once in each seven-day period);

(v) obligations issued by or on behalf of any state of the United States of America or any political subdivision thereof rated by Moody's or S&P in one of its three highest rating categories;

(vi) obligations of any state of the United States of America or any political subdivision thereof for the payment of the principal or redemption price of and interest on which there shall have been irrevocably deposited Government Obligations maturing as to principal and interest at times and in amounts sufficient to provide such payment;

(vii) commercial paper rated by Moody's or S&P in its highest rating category; and

(vii) any mutual fund, money market fund or short term investment fund, the portfolio of which is limited to obligations described in clauses (i) through (vii) above (including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, custodian or subcustodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, and (b) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds.

"Issuer" means Montgomery County, Maryland, a body politic and corporate of the State of Maryland constituting a public body under the Act.

“Lender” means STI Institutional & Government, Inc. or such other entity as shall be the Holder or, if the Bonds are then held under the Book-Entry System, Beneficial Owner of all of the Bonds, and their successors.

“Lender Bond Period” means any period in which all of the Bonds are registered in the name of a single entity or, if the Bonds are then held under the Book-Entry System, a single entity is the Beneficial Owner of all of the Bonds.

“Lender Mode Credit Agreement” means (a) during the Initial Term Rate Period, the Lender Mode Credit Agreement dated as of December 1, 2020 by and between the Institution and the Lender, and all modifications, supplements and amendments thereto, and (b) during any other Lender Bond Period, any lender mode credit agreement, continuing covenant agreement or similar agreement between the Institution and the Lender, and all modifications, supplements and amendments thereto.

“Lender Purchase Date” means December 1, 2040, subject to extension as set forth in Section 3.01(a)(v) of the Indenture.

“LIBOR” means, for any Rate Determination Date, the rate that is equal to the London Interbank Offered Rate at approximately 11:00 a.m. London time two London Business Days prior to such Rate Determination Date for delivery on such date for U.S. dollar deposits for a one-month term beginning on such Rate Determination Date as published by Bloomberg (or other commercially available source providing quotations of such rate selected by the Calculation Date from time to time, Notice of which shall be provided to the Issuer, Institution, the Trustee and the other Notice Parties), *provided* that if any rate determined in accordance with this paragraph is less than zero, such rate shall be deemed to be zero for purposes of the Indenture. If such rate is not then reported by such source or otherwise ceases to be available as of the date of determination of any Index Floating Rate, then “LIBOR” means a substitute or replacement LIBOR index designated by the Issuer in compliance with **Error! Reference source not found.** of the Indenture; provided that if LIBOR has been permanently discontinued, the Calculation Agent (or the Remarketing Agent in the case of the determination of the Index Floating Rate prior to the first day of an Index Floating Rate Period) will use, as directed by the Issuer, as a substitute for LIBOR and for each future date of determination of the Index Floating Rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) that is consistent with accepted market practice (the **“Replacement Index Floating Rate”**). As part of such substitution, the Calculation Agent (or Remarketing Agent, as applicable) will, as directed by the Issuer, make such adjustments to the Replacement Index Floating Rate or the spread thereon, as well as the Business Day convention, Index Floating Rate reset dates and related provisions and definitions (**“Adjustments”**), in each case that are consistent with accepted market practice for the use of such Replacement Index Floating Rate for debt obligations such as the Bonds; provided that in the event that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Issuer will appoint in its sole discretion an independent financial advisor to determine an appropriate Replacement Index Floating Rate, and

any Adjustments, and the decision of the independent financial advisor will be binding on the Issuer, the Calculation Agent, the Institution and the Bondholders.

“LIBOR Index Floating Rate Period” means any Index Floating Rate Period during which the Index Rate is LIBOR (or if applicable, the Replacement Index Floating Rate).

“LIBOR Rate” means a rate per annum determined by the Calculation Agent pursuant to the following formula:

$$\text{LIBOR Rate} = \frac{\text{LIBOR}}{1.00 - \text{LIBOR Reserve Percentage}}$$

“LIBOR Reserve Percentage” means, for any day, the reserve percentage (expressed as a number, carried out to five decimal places) in effect on such day under regulations issued from time to time by the Federal Reserve Bank for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”). The LIBOR Reserve Percentage shall never be less than 0.00%. The LIBOR Rate shall be adjusted automatically as of the effective date of any change in the LIBOR Reserve Percentage.

“London Business Day” means a day on which banks in London, England are open for business and dealing in offshore dollars.

“Loan Agreement” means the Loan Agreement dated as of December 1, 2020, between the Institution and the Issuer, as amended, modified or supplemented from time to time.

“Long-Term Interest Period” means a Term Rate Period longer than six months or a Fixed Rate Period.

“Long-Term Mode” means the Mode in which the Bonds bear interest at a Term Rate for a Term Rate Period longer than six months or the Fixed Rate Mode.

“Mandatory Purchase Date” means: (i) with respect to Term Rate Bonds, the first Business Day following the last day of each Term Rate Period applicable to such Bonds; (ii) with respect to Index Floating Rate Bonds, the first Business Day following the last day of each Index Floating Rate Period applicable to such Bonds; (iii) with respect to a Flexible Rate Bond, the first Business Day following the last day of each Flexible Rate Period applicable to such Bond; (iv) any Mode Change Date applicable to the Bonds other than a date on which the Mode changes between the Daily Mode and the Weekly Mode; and (v) with respect to any Bonds during any period, any Business Day specified by the Issuer at the Request of the Institution on which such Bonds are subject to redemption in full at the option of the Issuer.

“Mandatory Purchase Notice” means a notice of a Mandatory Purchase Date given by the Trustee in accordance with Section 3.04(b) of the Indenture.

“Margin Rate Factor” means, as of any particular date with respect to Bonds in a Lender Bond Period, a fraction, the numerator of which is equal to one minus the Maximum Federal Corporate Tax Rate on such date and the denominator of which is 0.79; *provided*, however, that the Margin Rate Factor shall be 1.0 so long as the Maximum Federal Corporate Tax Rate is 21%, and thereafter shall increase or decrease, as the case may be, from time to time effective as of the effective date of any increase or decrease, as the case may be in the Maximum Federal Corporate Tax Rate; *provided* further, that in the event of any increase or decrease, as the case may be, in the Maximum Federal Corporate Tax Rate, the Margin Rate Factor shall decrease or increase, as the case may be, from time to time effective as of the effective date of any such increase or decrease, as the case may be, in the Maximum Federal Corporate Tax Rate determined in accordance with the foregoing calculation.

“Maturity Date” means December 1, 2050.

“Maximum Federal Corporate Tax Rate” means the maximum rate of income taxation imposed on corporations generally and applicable to the highest segment of taxable income pursuant to Section 11(b) of the Code, as in effect from time to time (or if, as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Lender, the statutory rate of federal income taxation applicable to the highest segment of taxable income which could apply to the Lender). The Maximum Federal Corporate Tax Rate on the date of issuance of the Bonds is 21%.

“Mode” means the mode in which interest is determined for the Bonds and may include the Term Rate Mode, the Index Floating Rate Mode, the Daily Mode, the Weekly Mode, the Flexible Mode or the Fixed Rate Mode.

“Mode Change Date” means, when used with respect to Bonds, the effective date of a change in the Mode, the Term Rate Period or the Index Floating Rate Period applicable to such Bonds.

“Mode Change Notice” means the notice from the Trustee to the other Notice Parties of its intention to change the Term Rate Periods, the Mode or the Index Floating Rate Periods applicable to such Bonds.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“New Improvements” means the portions of the Project to be financed with proceeds of the Bonds consisting of the new dormitory to be constructed, improvements to existing dormitories and other academic facilities.

“Notice Parties” means the Issuer, the Institution, the Trustee, the Lender, the Remarketing Agent, if any, and the Rating Agencies, if any.

“Opinion of Counsel” means any opinion of an attorney or firm of attorneys, admitted to practice law before the highest court of any state in the United States of America or the District of Columbia, including any Bond Counsel, delivered pursuant to the Indenture or the Loan

Agreement and addressed to the Trustee, the Remarketing Agent, if any, the Institution, the Issuer, the Lender, if any, and any provider of credit enhancement or liquidity for the Bonds.

“Outstanding” or **“outstanding”** means, when used with reference to the Bonds, as of any particular date, Bonds authenticated and delivered under the Indenture except:

(i) any Bond canceled by the Trustee (or delivered to the Trustee for cancellation) at or before such date;

(ii) any Bond for the payment of the principal or Redemption Price of and interest on which, and the Purchase Price of which, provision shall have been made as provided in Section 9.01 of the Indenture; and

(iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Article II, Article III or Section 8.03 of the Indenture.

“Permitted Encumbrances” shall have the meaning set forth in Section 6.2 of the Lender Mode Credit Agreement.

“Prepayment Premium” during the Initial Term Rate Period shall have the meaning set forth in Section 3.01(a)(i) of the Indenture, and during any other Lender Bond Period shall have the meaning set forth in the applicable Lender Mode Credit Agreement.

“Project” means the Project described in Appendix B to the Loan Agreement, as the Project may be amended by mutual agreement of the Issuer and the Institution, this definition of “Project” being set forth without in any way limiting the items that may be included (by such mutual agreement) within the definition of the term “facilities” under the Appendix B of the Loan Agreement.

“Purchase Date” means (i) when used with respect to a Bond in the Daily Mode or the Weekly Mode, a day on which such Bond is required to be purchased at the option of the holder thereof pursuant to Section 3.04(a) of the Indenture, and (ii) any Mandatory Purchase Date.

“Purchase Price” means, when used with respect to a Bond, an amount equal to the principal amount of such Bonds, plus accrued interest to the Purchase Date (unless the Purchase Date is an Interest Payment Date, in which case the Purchase Price shall not include accrued interest, which shall be paid in the normal course), plus the Prepayment Premium or other redemption premium, if any, that would be payable on such Bond if redeemed on such date.

“Rate Determination Date” means the date on which the interest rate on the Bonds shall be determined, which shall be (i) in the case of Bonds (x) in an Index Floating Rate Period for which the Index is the SIFMA Index, each Wednesday, or if such Wednesday is not a Business Day, the following Business Day, and (y) in an Index Floating Rate Period for which the Index is LIBOR (or if applicable, the Replacement Index Floating Rate), the first Business Day of each month; (ii) in the case of Bonds in the Weekly Mode, a date selected by the Remarketing Agent that is not later than the Business Day prior to any Mode Change Date on which the Mode

applicable to such Bonds is changed to the Weekly Mode and on each Wednesday thereafter while such Bonds bear interest at the Weekly Rate or, if any Wednesday is not a Business Day, then the Business Day next preceding such Wednesday; (iii) in the case of the Bonds in the Flexible Mode, the first day of each Interest Period applicable to such Bonds; (iv) in the case of the Bond in the Daily Mode, each Business Day; (v) in the case of Bonds in the Term Rate Mode after the Initial Term Rate Period, a Business Day selected by the Remarketing Agent that is not earlier than 15 Business Days or later than the Business Day next preceding the first day of each Interest Period applicable to such Bonds; and (vi) in the case of Bonds in the Fixed Rate Mode, a date determined by the Remarketing Agent that is at least one Business Day prior to the Mode Change Date on which the Mode applicable to such Bonds is changed to the Fixed Rate Mode.

“Rating Agency” means any securities rating agency that, at the request of the Issuer, shall have assigned a rating to Bonds that is then in effect and their successors and assigns, and **“Rating Agencies”** means each such Rating Agency, collectively.

“Receipts” means all income derived from student tuition and fees, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired.

“Record Date” means (i) with respect to Bonds in a Short-Term Mode, the last Business Day before an Interest Payment Date; (ii) with respect to the Bonds in a Long-Term Mode, the fifteenth day (whether or not a Business Day) of the month next preceding each Interest Payment Date; and (iii) if there is a default in the payment of the interest due on the Bonds on any Interest Payment Date, a special record date established by the Trustee, that is at least 10 and not more than 15 days before the date set for payment of the defaulted interest.

“Redemption Price” means, when used with respect to a Bond or any portion thereof, the principal amount of such Bonds or portion thereof plus the premium, if any, payable upon redemption thereof.

“Remarketing Agent” means any remarketing agent appointed pursuant to Section 2.02 of the Indenture, and its successors.

“Responsible Officer” means when used with respect to the Trustee, an officer of the Trustee within the Designated Office of the Trustee having direct responsibility for the administration of the Indenture.

“Revenues” means (i) all payments to the Issuer or the Trustee pursuant to the Loan Agreement for the payment of the Bonds, including (without limitation) payments from the Receipts, (ii) all money and securities on deposit in the funds and accounts created by the Indenture, and (iii) all other receipts of the Issuer attributable to the financing and refinancing of the Project by the issuance of the Bonds; *provided*, however, that “Revenues” shall not include payments to the Issuer of its initial fee, the Annual Administrative Fees or any Administrative Expenditures or any indemnity payments to the Issuer.

“S&P” means S&P Global Ratings and its successors and assigns.

“Securities Depository” means The Depository Trust Company or such other securities depository as the Issuer may designate by written notice to the other Notice Parties, and its successors.

“SIFMA” means the Securities Industry & Financial Markets Association (formerly the Bond Market Association).

“SIFMA Index” means the rate determined on the basis of the seven day high grade market index of tax-exempt variable rate demand obligations produced by Bloomberg (or a successor organization) most recently published or made available by SIFMA or any Person acting in cooperation with or under the sponsorship of SIFMA acceptable to the Institution and the Issuer or, if such index is no longer produced or available, either (i) the S&P Municipal Bond 7 Day High Grade Rate Index as produced and made available by S&P Dow Jones Indices LLC (or a successor organization) or (ii) upon consultation with Bond Counsel, another index designed to measure the average interest rate on weekly interest rate reset demand bonds similar to such Bonds as selected by the Issuer upon the Request of the Institution.

“Short-Term Mode” means the Daily Mode, the Weekly Mode, the Flexible Mode, the Index Floating Rate Mode or the Term Rate Mode for a Term Rate Period of six months or shorter.

“Supplemental Indenture” means any indenture entered into by the Issuer and the Trustee amending, modifying or supplementing the Indenture, any Supplemental Indenture or the Bonds in accordance with the terms of the Indenture.

“Taxable Period” means the period of time following the date on which interest on the Bonds is deemed to be includable in the gross income of the Lender for federal income tax purposes as a result of an Event of Taxability.

“Taxable Rate” means (i) during the Initial Term Rate Period, 2.79% per annum, and (ii) and during any other Lender Rate Period, such rate as may be set forth in the applicable Lender Mode Credit Agreement.

“Tender Notice” means a notice delivered by Electronic Means or in writing to the Remarketing Agent and the Trustee that states (i) the principal amount of Bonds to be purchased pursuant to Section 3.04(a) of the Indenture, (ii) the Purchase Date on which the Bonds are to be purchased, (iii) applicable payment instructions with respect to the Bonds and (iv) an irrevocable demand for the purchase of such Bonds.

“Tender Notice Deadline” means (i) during the Daily Mode, 11:00 a.m. on any Business Day and (ii) during the Weekly Mode, 5:00 p.m. on the last Business Day that is not less than seven days prior to the Purchase Date on which Bonds are to be purchased at the option of the holder thereof in accordance with Section 3.04(a) of the Indenture.

“Term Rate” means (a) during the Initial Term Rate Period, the Initial Term Rate and (b) during any other Term Rate Period, the per annum interest rate for the Bonds determined pursuant to Section 2.02(b) of the Indenture.

“Term Rate Mode” means the Mode during which the Bonds bear interest at the Term Rate.

“Term Rate Period” means (i) the Initial Term Rate Period, (ii) any Term Rate Period established in accordance with Section 2.02(i) or 2.02(j) of the Indenture and (iii) the period established for the Bonds converted to the Term Rate Mode by the Issuer upon the Request of the Institution and, thereafter, the period from (and including) the first day of each successive Interest Period established for the Bonds pursuant to Section 2.02(h) of the Indenture to but excluding the Business Day immediately succeeding the last day of such Interest Period while the Bonds are in the Term Rate Mode.

“Trust Estate” means all money and securities that from time to time are deposited or are required to be deposited with the Trustee or to be held in trust under any of the provisions of the Indenture and all property, rights and other assets that from time to time may be pledged and assigned to the Trustee under the Granting Clauses of the Indenture.

“Trustee” means Truist Bank, a banking corporation organized and existing under the laws of the State of North Carolina, and its successors, and any other corporation that may at any time be substituted in its place in accordance with the Indenture.

“Weekly Mode” means the Mode during which the Bonds bear interest at the Weekly Rate.

“Weekly Rate” means the per annum interest rate on the Bonds determined each week pursuant to Section 2.02(d) of the Indenture.

“Weekly Rate Period” means any period during which the Bonds in the Weekly Mode shall bear a Weekly Rate, which shall be the period from and including Thursday of each week to but excluding Thursday of the following week, except that the first Weekly Rate Period shall be from and including the Mode Change Date on which the Mode applicable to the Bonds is changed to the Weekly Mode to but excluding Thursday of the following week and the last Weekly Rate Period shall be from and including the Thursday of the week prior to the Mode Change Date on which the Mode applicable to the Bonds is changed to but excluding such Mode Change Date or the Maturity Date, as the case may be.

**APPENDIX B to
Loan Agreement**

PROJECT DESCRIPTION

The Project consists of (i) the financing or refinancing to the improvement, renovation and equipping of a new dormitory as well as existing dormitories and other academic facilities owned by the Institution, (ii) the refinancing of the projects originally financed with the proceeds of the Issuer's Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility) Series 2005 (the "Series 2005 Bonds") and the Issuer's Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility) Series 2008 (the "Series 2008 Bonds"), the Series 2005 Bonds and the Series 2008 Bonds each as amended and reissued on September 4, 2012, (iii) financing the termination of swap agreements between the Institution and SunTrust Bank, predecessor in interest to Truist Bank, and (iv) the financing of all or a portion of certain costs of issuance for the Bonds and other related costs.



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Issuance of Economic Development Revenue Bonds (Georgetown Preparatory School Project) Series 2020	Executive Order No. 138-20	Subject Suffix
Department Department of Finance	Department No. B387-20	Effective Date 12/04/2020

EXHIBIT C

CREDIT AGREEMENT

[See attached]

LENDER MODE CREDIT AGREEMENT

Dated as of December 1, 2020

By and Between

GEORGETOWN PREPARATORY SCHOOL, INCORPORATED

And

STI INSTITUTIONAL & GOVERNMENT, INC.

relating to

\$75,000,000

Montgomery County, Maryland
Economic Development Revenue Bonds
(Georgetown Preparatory School Project),
Series 2020

TABLE OF CONTENTS
(Not Part of Agreement)

Article 1. DEFINITIONS.....	1
Section 1.1 Definitions.....	1
ERISA TERMS.....	8
Section 1.2 Rules of Construction.	8
Article 2. OBLIGATIONS OF THE BORROWER.....	9
Section 2.1 Payment Obligations.....	9
Section 2.2 Additional Payments.....	10
Section 2.3 Capital Adequacy.....	11
Section 2.4 Event of Taxability.	11
Section 2.5 Security.	11
Article 3. CONDITIONS PRECEDENT TO PURCHASE OF THE BONDS	12
Section 3.1 Delivery of the Bonds and Operative Documents.	12
Section 3.2 No Default.....	12
Section 3.3 Representations and Warranties.....	13
Section 3.4 Opinions of Counsel.	13
Section 3.5 Certificates of Compliance.	13
Section 3.6 Opinion of Bond Counsel.	13
Section 3.7 Other Documents.	13
Section 3.8 Documentation and Proceedings.....	13
Section 3.9 Filings.	14
Section 3.10 Origination Fee.	14
Section 3.11 Equity Account.	14
Section 3.12 Know Your Customer Regulations.....	14
Article 4. REPRESENTATIONS AND WARRANTIES	14
Section 4.1 Subsidiaries.....	14
Section 4.2 Good Standing.	14
Section 4.3 Authority.....	15
Section 4.4 Binding Agreements.	15
Section 4.5 Litigation.....	15
Section 4.6 No Conflicting Agreements.	15
Section 4.7 Compliance with Laws, etc.....	15
Section 4.8 Financial Position.....	16
Section 4.9 Full Disclosure.	16
Section 4.10 Tax Returns.....	16
Section 4.11 ERISA.....	17
Section 4.12 Qualification under Section 501(c)(3) of the Code.....	17
Section 4.13 Employee Relations.	19
Section 4.14 Information for Financing Statements.	19
Section 4.15 Brokers, etc.	19
Section 4.16 Liens on Property and Security.....	20

Section 4.17	Anti-Corruption Laws and Sanctions.....	20
Section 4.18	Patriot Act.	20
Section 4.19	Beneficial Ownership.....	20
Article 5. AFFIRMATIVE COVENANTS		20
Section 5.1	Financial Statements.	20
Section 5.2	Debt Service Coverage Ratio.....	22
Section 5.3	Unrestricted Liquidity.....	22
Section 5.4	Taxes and Claims.....	22
Section 5.5	Corporate Existence.	22
Section 5.6	Compliance with Laws and Other Requirements.	23
Section 5.7	Books and Records.	23
Section 5.8	Preservation of Properties.	23
Section 5.9	Notice of Contingent Liabilities.....	23
Section 5.10	Redemption.	24
Section 5.11	Maintenance of Tax-Exempt Status.....	24
Section 5.12	Banking Relationship.....	24
Section 5.13	Licenses, Accreditations, Etc.....	24
Section 5.14	Certain Covenants.....	24
Article 6. NEGATIVE COVENANTS		25
Section 6.1	Borrowings or Contingent Liabilities.	25
Section 6.2	Mortgages and Other Encumbrances.	25
Section 6.3	Loans or Advances.....	26
Section 6.4	Disposition or Transfer of Assets.	26
Section 6.5	Merger or Acquisition, or Sale of Assets.....	26
Section 6.6	Other Agreements.	26
Section 6.7	Change of Basic Business.....	26
Section 6.8	ERISA Compliance.....	26
Article 7. Construction Provisions.....		27
Section 7.1	Conditions Precedent to Funding Advances.	27
Section 7.2	Covenants and Agreements with respect to the Work.....	28
Article 8. EVENTS OF DEFAULT.....		32
Section 8.1	Events of Default.	32
Article 9. INDEMNIFICATION		35
Section 9.1	Indemnification.	35
Article 10. MISCELLANEOUS		36
Section 10.1	Amendments.	36
Section 10.2	Survival of Representations and Warranties.....	36
Section 10.3	Expenses.	36
Section 10.4	Set-off.	37
Section 10.5	Notices; Effectiveness; Electronic Communication.	37
Section 10.6	Satisfaction Requirement.....	38

Section 10.7	Binding Effect; Assignment.....	38
Section 10.8	Severability; No Obligation to Exhaust Other Remedies.	39
Section 10.9	Relationship between Borrower and Lender.....	39
Section 10.10	Waiver of Jury Trial.....	39
Section 10.11	Governing Law.	39
Section 10.12	Counterparts.	39
Section 10.13	Limitation of Liability of Directors, Trustees or Officers.	40
Section 10.14	Term of Agreement.	40
Section 10.15	No Advisory or Fiduciary Relationship.....	40
Section 10.16	No Bonds Rating; DTC; CUSIP.	41
Section 10.17	Patriot Act.	41
Section 10.18	Electronic Execution of Certain Documents.....	41

LENDER MODE CREDIT AGREEMENT

THIS LENDER MODE CREDIT AGREEMENT (this “Agreement”), dated as of December 1, 2020, by and between **GEORGETOWN PREPARATORY SCHOOL, INCORPORATED**, a Maryland nonstock corporation (the “Borrower”), and **STI INSTITUTIONAL & GOVERNMENT, INC.**, a Delaware corporation (the “Lender”).

RECITALS

Montgomery County, Maryland (the “Issuer”) will issue its \$75,000,000 Economic Development Revenue Bonds (Georgetown Preparatory School Project), Series 2020 (the “Bonds”), pursuant to an Indenture of Trust, dated as of December 1, 2020, between Truist Bank, successor by merger to Branch Banking and Trust Company, as trustee (the “Trustee”) and the Issuer (the “Indenture”), to finance, refinance and/or reimburse the costs incurred by the Borrower related to the Project (as defined therein); and the Issuer will loan the proceeds of the sale of the Bonds to the Borrower, pursuant a Loan Agreement dated as of December 1, 2020, between the Issuer and the Borrower (the “Loan Agreement”). The Lender has agreed to purchase Bonds. It is a condition precedent to the Lender purchasing the Bonds that the Borrower shall have executed and delivered this Agreement. The Borrower will materially and directly benefit from the purchase of the Bonds by the Lender and, therefore, to provide an inducement to the Lender to purchase the Bonds, the Borrower is willing to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS

Section 1.1 Definitions.

For the purpose of this Agreement, in addition to terms defined elsewhere herein (capitalized terms not otherwise defined elsewhere herein or below shall have the meanings provided in the Indenture), the following terms shall have the following meanings:

“**Affiliate**” means, as to any Person, any other Person, directly or indirectly controlling (including all directors, officers and employees of such Person), directly or indirectly controlled by or under direct or indirect common control with such Person.

“**Anti-Corruption Laws**” shall mean all laws, rules, and regulations of any jurisdiction applicable to the Borrower and its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Assets**” of a Person means at any date all assets that, in accordance with GAAP consistently applied, should be classified as assets on the balance sheet of such Person.

“**Ancillary Projects**” has the meaning given to such term in the Loan Agreement.

“Beneficial Ownership Certification” shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” shall mean 31 C.F.R. § 1010.230.

“Bankruptcy Filing” means the filing of a petition by or against the Borrower or the Issuer as debtor under the United States Bankruptcy Code or similar bankruptcy or insolvency act. If the petition has been dismissed and the dismissal is final and not subject to appeal at the relevant time, the filing will not be considered to have occurred.

“Bond Redemption Payment” shall mean the redemptions of Bonds required by Section 5.10 of this Agreement.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Capital Lease” means any lease of real or personal property, under which the payment of the obligations of a Person have been or should be, in accordance with GAAP consistently applied, capitalized on the balance sheet of such Person.

“Capital Lease Obligations” of any Person shall mean all obligations of such Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Flow” shall mean, for each fiscal year of the Borrower, the change in its Unrestricted Net Assets, less net assets released from restriction, plus, to the extent deducted to determine the change in Unrestricted Net Assets, interest expense, depreciation expense, amortization expense and net assets released from restriction to support operations and/or debt service, minus, to the extent added to determine the change in Unrestricted Net Assets, unrealized gains, including those arising out of any mark-to-market adjustments reflecting the change value of any investment, interest rate swap or hedging agreement, plus, unrealized losses, including those arising out of any mark-to-market adjustments reflecting the change in value of any, investment, interest rate swap or hedging agreement, in each case determined in accordance with GAAP.

“Catch-Up Interest Payment” means the additional interest paid by the Borrower to Truist Bank on or about December 1, 2020 with respect to the Refunded Bonds resulting from the adjustment in the interest rate thereon with respect to the change in the federal corporate tax income rate.

“Change in Law” means (i) the adoption of any applicable law, rule or regulation after the date of this Agreement, (ii) any change in any applicable law, rule or regulation, or any change in the interpretation, implementation or application thereof, by any Governmental Authority after the date of this Indenture, or (iii) compliance by the Lender with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Indenture; provided, that for purposes of this Agreement, (x)

the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Construction Contract” shall mean any contract between the Borrower and the General Contractor and any other construction contract relating to the Work, in form and substance reasonably satisfactory to the Lender.

“Construction Contractor” shall mean the General Contractor and each other contractor or subcontractor providing labor or materials in connection with the Work.

“Construction Fund” means the Construction Fund created and held by the Trustee pursuant to Section 4.02 of the Indenture and into which a portion of the proceeds of the Bonds will be deposited.

“Date of Issuance” means the date of issuance and delivery of the Bonds pursuant to the Indenture.

“Date of Taxability” shall mean the earliest date as of which interest on the Bonds shall have been determined to be includable in the gross income of the Lender as a result of an Event of Taxability.

“Debt Service” means, for each fiscal year of the Borrower, interest expense of the Borrower for such fiscal year, plus principal payments of long term Indebtedness for such fiscal year (including the requirement to make the Bond Redemption Payments), in each case determined in accordance with GAAP, provided that for the fiscal year of the Borrower ending on June 30, 2021, the Catch-Up Interest Payment shall be excluded from interest expense.

“Default” means any event which with notice or lapse of time, or both, would become an Event of Default.

“Dormitory Project” means that portion of the Project consisting of the construction of a new dormitory on the Borrower’s campus.

“Draw Period” shall mean, the period commencing on the Date of Issuance and ending on the Outside Completion Date.

“Equity Account” means account number 22-304394 maintained by the Borrower with Chevy Chase Trust.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“Event of Default” shall have the meaning specified in *Article 6*.

“Event of Taxability” has the meaning given to such term in the Indenture.

“Force Majeure” shall mean and include, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of any Governmental Authority, or of any of their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; pandemics (including the corona virus). terrorism; landslides; lightning; earthquakes; fire; hurricanes; storms; floods; tornadoes, washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident of machinery, transmission pipes or canals; partial or entire failure of utilities; or any other similar cause or event not reasonably within the control of the person so affected, including, without limitation, the Borrower (other than financial inability, which shall not be deemed a cause or event not reasonably within the control of the Person so affected), it being agreed that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of the person so affected and such person shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course, in the judgment of such person, is unfavorable to it.

“Funded Debt” of a Person means at any time the sum at such time of (a) indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (b) any obligations of such Person in respect of letters of credit, banker’s or other acceptances or similar obligations issued or created for the account of such Person, (c) Capital Lease Obligations of such Person with respect to Capital Leases; (d) all liabilities secured by any Lien on any property owned by such Person, to the extent attached to such Person’s interest in such property, even though such Person has not assumed or become personally liable for the payment thereof; (e) obligations of third parties which are being guaranteed or indemnified against by such Person or which are secured by property of any such person; (f) any obligation of such Person under an employee stock ownership plan or other similar employee benefit plan, excluding any obligation to pay to any such plan participant contributions subject to 29 C.F.R. 2510.3-102; (g) any obligation of such Person or a Commonly Controlled Entity to a Multiemployer Plan; and (h) any obligations, liabilities or indebtedness, contingent or otherwise, under or in connection with, any interest rate or currency swap agreements, cap, floor, and collar agreements, currency spot, foreign exchange and forward contracts and other similar agreements and arrangements (with the amount thereof being determined by mark-to-market adjustments determined in accordance with GAAP); but excluding trade and other accounts payable in the ordinary course of business in accordance with customary trade terms and which are not overdue (as determined in accordance with customary trade practices) or which are being disputed in good faith by such Person and for which adequate reserves are being provided on the books of such Person in accordance with GAAP.

“Funding Advance” shall mean any advance from the Equity Account and any of proceeds of the Bonds from the Construction Fund.

“General Contractor” shall mean Manhattan Construction Company.

“Generally Accepted Accounting Principles” or **“GAAP”** means generally accepted accounting principles as defined by the Financial Accounting Standards Board as from

time to time in effect that are consistently applied and, when used with respect to the Borrower, that are consistent with the accounting practice of the Borrower, reflected in the financial statements for the Borrower, with such changes as may be approved by an independent public accountant satisfactory to the Lender.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Ground Lease” means the Ground Lease dated as of March 31, 2005 between the Borrower as lessor and Jefferson at Inigo LLC as lessee, as amended October 31, 2011 and assigned January 7, 2016, together with any and all other Supplements thereto.

“Independent Accountant” means an accountant or accounting firm, acceptable to the Lender, engaged in the accounting profession, either entitled to practice, or having members or officers entitled to practice, as a certified public accountant under the laws of the State and not an employee on a full-time basis of the Borrower (but who or which may be regularly retained by the Borrower).

“Independent Inspector” means the architect or engineer, if any, designated as such by the Lender to inspect the Work.

“Laws” or **“laws”** means laws, ordinances, statutes, rules, regulations, injunctions, writs or decrees of any Governmental Authority having jurisdiction as may be in effect from time to time.

“Lien” means, as to any asset, (a) any lien, charge, claim, mortgage, security interest, pledge or other encumbrance of any kind with respect to such asset, (b) any interest of a vendor or lessor under any conditional sale agreement, capitalized lease or other title retention agreement relating to such asset, (c) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception affecting such asset, or (d) any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever.

“Multiemployer Plan” shall have the meaning set forth in Section 4001(a)(3) of ERISA.

“Negative Pledge” means the Declaration of Negative Pledge dated as of the date hereof from the Borrower in favor of the Lender, as the same may be amended, modified or supplemented from time to time.

“OFAC” shall mean the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Operative Documents” shall have the meaning specified in Section 3.1 hereof.

“Outside Completion Date” shall mean December 10, 2023, subject to Force Majeure.

“Payment Obligations” shall have the meaning specified in Section 2.1 hereof.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA, and any successor entity performing similar functions.

“Permitted Encumbrances” means the Liens and encumbrances listed and described as items (a) to (h) inclusive in Section 6.2 of this Agreement

“Permitted Ground Lease Transfer” means the sale, assignment or transfer by the Borrower of its rights to receive payments under the Ground Lease, provided that at the time thereof and after giving effect thereto (a) no Default or Event of Default shall occur or be existing, and (b) the Lender under shall have received evidence satisfactory to it that the pro forma ratio of Unrestricted Liquidity to Funded Debt is not less than 0.50 to 1.00 and the Borrower will be in pro forma compliance with the Cash Flow to Debt Service ratio required by Section 5.2.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or any other juridical entity, or a foreign state or any agency or political subdivision thereof.

“Plans and Specifications” shall mean the plans and specifications (including all working drawings) for the construction and equipping of the Work.

“Project” shall mean the Series 2020 Project, as such term is defined in the Indenture.

“Project Budget” shall mean the schedule acceptable to the Lender setting forth the Project Costs.

“Project Costs” shall mean all hard and soft costs for the Work, capitalized interest on the Bonds, fees payable under this Agreement and the closing costs associated with the issuance of the Bonds.

“Property” means Borrower’s campus located at 10900 Rockville Pike in North Bethesda, Montgomery County, Maryland.

“Refunded Bonds” means the Issuer’s \$35,000,000 Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility), Series 2005 and the Issuer’s \$20,000,000 Variable Rate Economic Development Revenue Bonds (Georgetown Preparatory School Facility), Series 2008.

“Requisition” means a requisition of disbursements from the Equity Account or the Construction Fund, as applicable, in the form of Exhibit D attached to this Agreement.

“Sanctioned Country” shall mean, at any time, a country or territory that is, or whose government is, the subject or target of any Sanctions.

“Sanctioned Person” shall mean, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person located, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

“Sanctions” shall mean economic or financial sanctions or trade embargoes administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Security” means all of the security for the Payment Obligations described in Section 2.5 of this Agreement and all of the other Operative Documents, together with all proceeds and products thereof.

“State” means the State of Maryland.

“Subsidiary” means, with respect to any Person (the **“parent”**), any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, joint venture, limited liability company, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power, or in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise indicated, all references to “Subsidiary” hereunder means a Subsidiary of the Borrower.

“Super Liquidity Covenant” means (a) prior to consummation of a Permitted Ground Lease Transfer, that the Borrower has Unrestricted Liquidity of not less than \$27,000,000 and (b) after consummation of a Permitted Ground Lease Transfer, the ratio of Unrestricted Liquidity to Funded Debt is no less than 0.75 to 1.00.

“Taxable Period” means, with respect to the Bonds, any period during which the interest on the Bonds is includable in the gross income of the holders thereof as a result of a Event of Taxability.

“Taxable Rate” means 2.79%.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Unrestricted Liquidity” shall mean the sum of all cash, cash equivalents and readily marketable securities owned by the Borrower that (1) are not subject to any restriction on

use, other than (a) restrictions that do not prohibit the application of the donated funds to debt service costs of the Borrower, and (b) restrictions imposed by the applicable board of directors or trustees or other governing body of the Borrower; provided that in each case such restrictions (i) may be removed at the option of such board or governing body and (ii) do not prevent such assets from being subject to the claims of creditors, and (2) are not encumbered by any Lien.

“Unrestricted Net Assets” shall mean the unrestricted net assets of the Borrower as determined in accordance with GAAP.

“Work” shall mean the construction and equipping of the New Improvements, as defined in the Loan Agreement, in accordance with the Plans and Specifications.

ERISA TERMS

Certain terms used in this Agreement are defined in ERISA. When and if used in this Agreement, such terms shall have the meanings given them in ERISA, if required by the context. Specifically, the following terms shall have the following meanings:

“Accumulated Funding Deficiency” means an “accumulated funding deficiency” as defined in Section 302 of ERISA or Section 412(a) of the Code.

“Commonly Controlled Entity” means any trade or business (whether or not incorporated) which is under “common control” (as defined in Section 414(b) or (c) of the Code) and of which the Borrower or any of its Subsidiaries is a part.

“Multiemployer Plan” means a Plan that is a multiemployer plan (as defined in Section 3(37) of ERISA) to which the Borrower or any Commonly Controlled Entity, as appropriate, has or had an obligation to contribute.

“Plan” means any pension, profit sharing, savings, stock bonus or other deferred compensation plan which is subject to the requirements of ERISA and currently maintained, sponsored, or contributed to by the Borrower or any Commonly Controlled Entity, as appropriate, on behalf of any of its employees or their beneficiaries, together with any related trusts.

“Prohibited Transaction” means a “prohibited transaction” as defined in Section 406 of ERISA or Section 4975 of the Code with respect to any Plan, other than one that is subject to a statutory, regulatory or administrative exemption (whether on a class or individual basis).

Section 1.2 Rules of Construction.

(a) The words “hereof”, “herein”, “hereunder”, “hereto”, and other words of similar import refer to this Agreement in its entirety.

(b) The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants”.

(c) References to Articles, Sections, and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivisions of this Agreement as originally executed.

(d) The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

(e) All references made (a) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, and (b) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well.

(f) Unless specifically provided otherwise, all accounting terms have the definitions given them in accordance with GAAP as applied to the applicable person on a consistent basis by its accountants in the preparation of its previous annual financial statements.

ARTICLE 2.

OBLIGATIONS OF THE BORROWER

Section 2.1 Payment Obligations.

(a) The Bonds bear interest at a fixed rate of 2.20% times the Margin Rate Factor per annum, as provided in Section 2.02(b) of the Indenture and in the definition of Initial Term Rate in Appendix A to the Indenture. "Margin Rate Factor" means, as of any particular date, a fraction, the numerator of which is equal to one minus the Maximum Federal Corporate Tax Rate on such date and the denominator of which is 0.79; provided, however, that the Margin Rate Factor shall be 1.0 so long as the Maximum Federal Corporate Tax Rate is 21%, and thereafter shall increase or decrease, as the case may be, from time to time effective as of the effective date of any increase or decrease, as the case may be in the Maximum Federal Corporate Tax Rate; provided further, that in the event of any increase or decrease, as the case may be, in the Maximum Federal Corporate Tax Rate, the Margin Rate Factor shall decrease or increase, as the case may be, from time to time effective as of the effective date of any such increase or decrease, as the case may be, in the Maximum Federal Corporate Tax Rate determined in accordance with the foregoing calculation. If there is a change in the Margin Rate Factor the Lender shall give notice thereof to the Borrower and such notice shall reflect the amount of interest that will be due on the next succeeding Interest Payment Date.

(b) Interest on the Bonds is payable semi-annually on June 1 and December 1 of each year, as provided in Section 2.02(a) of the Indenture and in the definition of Interest Payment Date in Appendix A to the Indenture. The Lender shall provide invoices for interest payments to the Borrower prior to each Interest Payment Date showing the amount of interest then due, provided that the failure of the Borrower to receive an invoice shall not relieve it of its obligations to make such payments.

(c) The Bonds are subject to mandatory purchase by the Borrower on December 1, 2040, as provided in Section 3.04(b) of the Indenture and the definitions of Lender Purchase Date and Mandatory Purchase Date in Appendix A to the Indenture. The Lender Purchase Date may be extended for five years at the sole discretion of the Lender as provided in Section 3.01(a)(v) of the Indenture.

(d) The principal of the Bonds shall be repaid in annual installments on December 1 of each year, beginning on December 1, 2023, in the respective amounts set forth on Exhibit C to this Agreement, as provided in Section 2.04 of the Indenture and Section 5.10 of this Agreement.

(e) If the Borrower converts the interest rate on the Bonds in accordance with the terms of the Indenture, the Borrower shall be required to pay the Prepayment Premium in addition to the Purchase Price upon such conversion.

(f) The Borrower hereby unconditionally, irrevocably and absolutely agrees to make the prompt and full payment of all Payment Obligations (as defined below) owed to the Lender with respect to the Bonds. For purposes of this Agreement, "Payment Obligations" shall include all principal and interest payments due with respect to the Bonds, and all other payment obligations, liabilities and undertakings of the Borrower to the Lender, the Issuer or the Trustee pursuant to the Operative Documents, whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, as maker, drawer, guarantor, surety, endorser or otherwise, either individually or jointly or severally with any other Person or Persons, with interest thereon at the rate or rates provided in the Operative Documents or at the maximum rate allowed from time to time by law, whichever is less, and all renewals or extensions in whole or in part of any of said payment obligations, liabilities, or undertakings, including any and all damages, losses, costs, fees and expenses of every kind and description suffered or incurred by the Lender arising in any manner out of or in any way connected with or growing out of said obligations, including, without limitation, all attorneys' fees, costs and expenses of collection. The Borrower acknowledges and agrees that the Payment Obligations are secured by the Security.

(g) The Bonds shall not be subject to defeasance under Section 9.01(b) of the Indenture and shall only be deemed to have been paid within the meaning of and with the effect expressed in Section 9.01 of the Indenture when all amounts due and payable by the Borrower to the Lender with respect to the Payment Obligations have been paid in cash pursuant to Section 9.01(a) of the Indenture and the terms of this Agreement.

Section 2.2 Additional Payments.

If any Change in Law shall either (a) impose, modify or deem applicable any reserve, special deposit or similar requirement against the Bonds owned by the Lender or (b) impose on the Lender any other condition relating, directly or indirectly, to the Indenture, the Bonds, the Loan Agreement or this Agreement (including, without limitation, any such change that results in the Bonds becoming subject to federal alternative minimum tax), and the result of any event referred to in the preceding clause (a) or (b) shall be to increase the cost to the Lender of owning the Bonds, then, upon demand by the Lender, the Borrower hereby agrees to pay to the Lender, within 10 days after the Lender makes a written demand therefor, such additional amounts as shall be sufficient to compensate the Lender for such increased cost. A certificate of the Lender claiming compensation under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error. In determining any such amount, the Lender may use any reasonable averaging and attribution methods.

Section 2.3 Capital Adequacy.

If, after the date of this Agreement, the Lender shall have determined that the adoption or implementation of any applicable law, rule or regulation regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lender with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the Lender's capital, on the Bonds or otherwise, as a consequence of its ownership of the Bonds to a level below that which the Lender could have achieved but for such adoption, change or compliance (taking into consideration the Lender's policies with respect to capital adequacy) by an amount deemed by the Lender to be material, then from time to time, within 10 days after written demand therefor by the Lender, the Borrower hereby agrees to pay the Lender such additional amount or amounts as will compensate the Lender for such reduction. A certificate of the Lender claiming compensation under this subsection and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive absent manifest error. In determining any such amount, the Lender may use any reasonable averaging and attribution methods. For the avoidance of doubt, this Section 2.3 shall apply to all requests, rules, guidelines or directives concerning capital adequacy (i) issued in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives concerning capital adequacy, and (ii) promulgated by the Lender for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a law adopted after the date hereof regardless of the date enacted, adopted, issued or implemented.

Section 2.4 Event of Taxability.

From and after the Date of Taxability, the Borrower hereby agrees to pay to the Lender certain additional amounts, as follows:

(a) Within ten days after written demand of the Lender, such additional amount as shall be necessary to provide that interest on the Bonds shall have been payable at the Taxable Rate from the Date of Taxability, and thereafter, on each date on which interest is due and payable with respect to the Bonds, an additional amount equal to the difference between (i) the amount of interest paid on the Bonds during the Taxable Period and (ii) the amount of interest that would have been paid on the Bonds during the Taxable Period had the Bonds borne interest at the Taxable Rate; plus

(b) an amount equal to any interest, penalties on overdue interest and additions to tax (as referred to in Subchapter A of Chapter 68 of the Code) owed by the Lender as a result of the occurrence of an Event of Taxability.

Section 2.5 Security.

(a) The Payment Obligations are secured by the Negative Pledge. As additional security for the Payment Obligations, the Borrower hereby assigns and pledges to the

Lender, its successors and assigns, and grants to the Lender, its successors and assigns, a continuing security interest in and Lien on the following to the full extent permitted by applicable law:

(i) All student tuition and fees, pledges and pledge collections received and other revenues now or hereafter owed to or received by or on behalf of the Borrower and wherever located, and all rights to receive such other revenues, whether in the form of accounts, accounts receivables, contract rights, general intangibles, chattel paper, instruments or other rights, provided that (1) any of the Borrower's "investment property" within the meaning of Section 148(b) of the Internal Revenue Code of 1986, as amended, shall not secure the Payment Obligations evidenced by the Bonds and (2) the foregoing grant and the Security also shall exclude gifts, grants, bequests, donations, contributions and pledges to the Borrower that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payments on the Payment Obligations;

(ii) The interest of the Borrower in the Bond Fund, the Construction Fund and in all subaccounts created and maintained under any of such funds under the Indenture; and

(iii) Proceeds and products (cash and non-cash) of the Security listed in subsections (a)(i) and (ii) of this Section 2.5.

(b) The Borrower agrees, with respect to the Security, that the Lender, its successors and assigns, shall have all of the rights and remedies of a secured party under the Maryland Uniform Commercial Code and all rights under any other applicable Laws.

(c) The Lender shall not be liable for any loss to any security in its possession, nor shall such loss diminish the Payment Obligations.

(d) The Borrower agrees that the Borrower's principal place of business is and shall remain in Montgomery County, Maryland.

ARTICLE 3.

CONDITIONS PRECEDENT TO PURCHASE OF THE BONDS

This Agreement shall become effective, and the Lender will purchase the Bonds on the date the Bonds are issued provided that all of the following conditions are met:

Section 3.1 Delivery of the Bonds and Operative Documents.

This Agreement, the Bonds, the Loan Agreement and the Indenture (collectively, the "Operative Documents") shall have been executed and delivered by the parties thereto, each in form and substance satisfactory to the Lender. The Lender shall have received an executed or conformed copy of each of the Operative Documents.

Section 3.2 No Default.

On the Date of Issuance there shall exist no Default or Event of Default.

Section 3.3 Representations and Warranties.

On the Date of Issuance all representations and warranties of the Borrower contained herein, in the other Operative Documents to which the Borrower is a party or otherwise made in writing in connection herewith shall be true and correct with the same force and effect as though such representations and warranties had been made on and as of such date.

Section 3.4 Opinions of Counsel.

There shall have been delivered to the Lender an opinion of Ballard Spahr LLP, in its capacity as counsel to the Borrower, dated the Date of Issuance, which opinion shall be in form and substance reasonably satisfactory to the Lender and shall cover such matters as the Lender may reasonably request.

Section 3.5 Certificates of Compliance.

There shall have been delivered to the Lender certificates of duly authorized officers of the Borrower, dated the Date of Issuance, to the effect that all of the conditions specified in *Sections 3.2* and *3.3* have been satisfied as of such date and covering such additional matters as the Lender may reasonably request, which may be included in the Borrower's general certificate delivered on the Date of Issuance.

Section 3.6 Opinion of Bond Counsel.

There shall have been delivered to the Lender an opinion (or a signed copy of such opinion together with a satisfactory reliance letter) of McKennon Shelton & Henn LLP, Bond Counsel, dated the Date of Issuance and in form and substance satisfactory to the Lender, to the effect that the Bonds are legal, valid and binding obligations of the Issuer and that as of the Date of Issuance interest on the Bonds is not includable in gross income for federal income tax purposes under existing statutes, regulations and rulings, and covering such other matters as the Lender may reasonably request.

Section 3.7 Other Documents.

There shall have been delivered to the Lender such other information, documents, instruments, approvals (and if requested by the Lender, certified duplicates of executed copies thereof) or opinions as the Lender or its counsel may reasonably request.

Section 3.8 Documentation and Proceedings.

All corporate and legal proceedings and all instruments in connection with the transactions contemplated by this Agreement and the other Operative Documents shall be satisfactory in form and substance to the Lender and its counsel and the Lender shall have received all information and copies of all documents, including records of corporate proceedings, governmental approvals and incumbency certificates which it may have reasonably requested in connection with the transactions contemplated by this Agreement and the other Operative Documents, such documents where appropriate to be certified by proper officers.

Section 3.9 Filings.

All documents required to perfect the Lender's first priority interest in the Security, including any financing statements, releases and terminations, to the extent that such first priority Security may be perfected by filing or recording, shall have been duly filed and recorded.

Section 3.10 Origination Fee.

The Borrower shall pay to the Lender an origination fee of 0.12% of the principal amount of the Bonds.

Section 3.11 Equity Account.

The Lender shall receive a current statement for the Equity Account reflecting an amount on deposit equal to total pledges collected for the Dormitory Project as of the Date of Issuance (as evidenced by a pledge report provided to the Lender by the Borrower) less total Project Costs incurred and paid by the Borrower with respect to the Dormitory Project as of the Date of Issuance, as reflected on the initial Requisition and reconciled to the Budget, and supported by copies of paid invoices and/or checks for such Project Costs.

Section 3.12 Know Your Customer Regulations

The Lender shall receive all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including USA PATRIOT Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for the Borrower, and if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification in relation to the Borrower.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants as follows:

Section 4.1 Subsidiaries.

The Borrower has no Subsidiaries.

Section 4.2 Good Standing.

The Borrower (i) is a nonstock corporation duly organized and existing, in good standing, under the Laws of the State of Maryland, (ii) has the corporate power and all material governmental licenses, authorizations, consents and approvals required to own its property and to carry on its business as now being conducted, and (iii) is duly qualified to do business and is in good standing in each other jurisdiction in which the character of the properties owned by it therein or in which the transaction of its business makes such qualification necessary.

Section 4.3 Authority.

The Borrower has full corporate power and authority to enter into and execute and deliver this Agreement and each of the other Operative Documents executed and delivered by the Borrower, and to incur and perform the obligations provided for therein and herein, all of which have been duly authorized by all proper and necessary corporate action by the Borrower. No consent or approval of any creditors of the Borrower, and no consent, approval, filing or registration with or notice to any other person or any Governmental Authority is required as a condition to the validity or enforceability of this Agreement or such other Operative Documents, or if required the same has been duly obtained.

Section 4.4 Binding Agreements.

This Agreement and each of the other Operative Documents executed and delivered by the Borrower have been duly and properly executed by the Borrower, constitute the valid and legally binding obligations of the Borrower, and are fully enforceable against the Borrower in accordance with their respective terms, except to the extent that enforceability may be affected by any bankruptcy or insolvency proceeding filed by or against the Borrower and subject to the exercise of judicial discretion in accordance with general principles of equity.

Section 4.5 Litigation.

There is no litigation or proceeding pending or, so far as the Borrower knows, threatened, before any court or administrative agency which, in the opinion of the Borrower, will materially adversely affect the financial condition or operations of the Borrower or the authority of the Borrower to enter into, or the validity or enforceability of, this Agreement or any of the other Operative Documents executed and delivered by the Borrower.

Section 4.6 No Conflicting Agreements.

There is no charter or by-law provision of the Borrower and no provision of any existing mortgage, indenture, contract or agreement binding on the Borrower or affecting the Borrower's property which, if the same were breached or violated by the execution, delivery and performance of this Agreement, could materially adversely affect the financial condition or operations of the Borrower or which would conflict with or in any way prevent the execution, delivery, or performance of the terms of this Agreement or any of the other Operative Documents executed and delivered by the Borrower, or which would be in default or violated as a result of such execution, delivery or performance, or for which adequate consents or waivers have not been obtained.

Section 4.7 Compliance with Laws, etc.

The Borrower is in compliance with all Laws applicable to the conduct of its business and the operation of the Property and its other facilities (including, but not limited to, all environmental, health, safety and zoning laws, ordinances, rules and regulations), the noncompliance with which would have a material adverse effect on the Borrower's financial condition or operations or the operation of the Property. To the best of the Borrower's knowledge, the Property complies with all legal requirements regarding access and facilities for

handicapped or disabled persons, including, without limitation and to the extent applicable, The Federal Architectural Barriers Act (42 U.S.C. §4151 et seq.), The Fair Housing Amendments Act of 1988 (42 U.S.C. §3601 et seq.), The Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.), The Rehabilitation Act of 1973 (29 U.S.C. §794) and any applicable State Laws relating to access and facilities for handicapped or disabled persons.

Section 4.8 Financial Position.

The financial statements of the Borrower for the fiscal year ended June 30, 2020 audited and certified by RSM US, LLP (including, without limitation, the balance sheet and the statement of income and expenses for the period then ended) and heretofore delivered to the Lender are complete and correct and fairly present the financial position of the Borrower and the results of its operations as of the dates and for the periods referred to, and such annual financial statements of the Borrower have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved. There were no material liabilities, direct or indirect, fixed or contingent, of the Borrower as of the dates of such balance sheets which are not reflected therein or in the notes thereto and which should be reflected therein or such notes in accordance with GAAP. The Borrower has also heretofore delivered to the Lender unaudited interim financial information for the three-month period ended September 30, 2020, (including, without limitation, a balance sheet and a statement of income and expenses for such period), and such financial information is complete and correct and fairly presents the financial position of the Borrower and the results of its operations as of the dates and for the period referred to. There has been no material adverse change in the financial condition or operations of the Borrower since June 30, 2020 (and to the Borrower's knowledge no such material adverse change is pending or threatened). The Borrower has good and marketable title to all of its properties and assets, and all such properties and assets are free and clear of Liens, except as reflected in such financial statements. The Borrower has not guaranteed the obligations of, or made any investment in or advances to, any Person, except as disclosed in such financial statements.

Section 4.9 Full Disclosure.

The financial information referred to in Section 4.8 above, the Operative Documents (including, without limitation, this Agreement), and all other statements, reports, certificates and other information furnished by the Borrower to the Lender in connection with the Operative Documents (a) do not contain any untrue statement of a material fact and (b) when taken in their entirety, do not omit any material fact necessary to make the statements contained therein not misleading. There is no fact known to the Borrower relating to the Borrower or its business which the Borrower has not disclosed to the Lender in writing prior to the Date of Issuance with respect to the transactions contemplated by the Operative Documents which materially and adversely affects or in the future could, in the reasonable opinion of the Borrower, materially adversely affect the condition, financial or otherwise, results of operations, business or assets of the Borrower.

Section 4.10 Tax Returns.

The Borrower has filed all required federal, state and local tax returns and has paid all taxes as shown on such returns as they have become due. No claims have been assessed and are

unpaid with respect to such taxes except as shown in the annual financial statement referred to in Section 4.8 above.

Section 4.11 ERISA.

Any Plan established and maintained by the Borrower or any Commonly Controlled Entity complies with the applicable requirements of ERISA in all material respects; (ii) neither the Borrower nor any Commonly Controlled Entity has engaged in or is engaging in any Prohibited Transaction that is reasonably likely to have a material adverse effect on the Borrower or any Commonly Controlled Entity or has incurred any Accumulated Funding Deficiency in connection with any such Plan, whether or not waived, that is reasonably likely to have a material adverse effect on the Borrower in connection with any Plan, and except as previously disclosed to the Lender in writing, no Reportable Event has occurred with respect to any Plan subject to the minimum funding requirements of Section 412 of the Code; (iii) no Multiemployer Plan has “terminated”, as that term is defined in ERISA; (iv) neither the Borrower nor any Commonly Controlled Entity has “withdrawn” or “partially withdrawn” from any Multiemployer Plan, except where such complete or partial withdrawal is not reasonably likely to have a material adverse effect on the Borrower; and (v) except as previously disclosed to the Lender in writing, no Multiemployer Plan is in “reorganization” nor has notice been received from the administrator of any Multiemployer Plan that any such Plan will be placed in “reorganization”.

Section 4.12 Qualification under Section 501(c)(3) of the Code.

(a) The Borrower is organized and operated exclusively (within the meaning of Section 501(c)(3) of the Code) for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided in Section 501(h) of the Code), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office, all within the meaning of Section 501(c)(3) of the Code.

(b) The Internal Revenue Service (the “Service”) has, by a letter dated August 21, 2019 (the “Determination Letter”) confirmed its ruling, initially dated March 24, 1946, that the agencies and instrumentalities and all educational, charitable and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in The Official Directory (as issued for 1946 and updated annually) are entitled to exemption from federal income tax under the provisions of Section 101(6) of the Internal Revenue Code of 1939, which corresponds to Section 501(c)(3) of the Code. The Borrower is listed in The Official Catholic Directory for 2019, and the purposes, character, activities and methods of operation of the Borrower have not changed materially since the date of the Determination Letter and are not materially different from the purposes, character, activities and methods of operation at the time the Determination Letter became effective. The Borrower has not received any indication or notice, written or verbal, from representatives of the Service to the effect that its exemption under Section 501(c)(3) of the Code has been modified, limited, revoked, or superseded, or that the Service is considering modifying, limiting, revoking, or superseding such exemption and the exemption of

the Borrower under Section 501(c)(3) of the Code is still in full force and effect as of the date hereof. The Borrower is in compliance with the terms, conditions and limitations of the Determination Letter. There has been no change in the facts and circumstances represented to the Service as a basis for receiving and which formed the basis on which the Service issued the Determination Letter relating to the Borrower's status as an organization described in Section 501(c)(3) of the Code of a nature or to a degree as would warrant any action by the Service to modify, limit, revoke, or supersede the Determination Letter or exclude the Borrower from inclusion therein.

(c) No administrative or judicial proceedings are pending or threatened which in any way may adversely affect the classification of the Borrower as (A) an organization described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code), and (B) which is not a "private foundation" as defined in Section 509 of the Code.

(d) The Borrower has not taken any action, and knows of no action that any other person has taken, which would cause the Borrower to lose its status as an organization described in Section 501(c)(3) of the Code or which would cause interest on the Bonds to be includible in gross income for federal income tax purposes.

(e) The Borrower has not diverted a substantial part of the corpus of its assets or income for a purpose or purposes other than such purpose or purposes for which it is organized and operated as described in subparagraph (i) above.

(f) No director, trustee, member, officer, key employee or incorporator of the Borrower or member of their immediate families or any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner or principal Bank has acquired or received, directly or indirectly, any income or assets of the Borrower in the form of salary, rent, loans or otherwise, since the date of the Determination Letter, other than amounts included in the total amounts reported, or included in the total amounts to be reported, as the case may be, on Internal Revenue Service Form 99-T for the appropriate fiscal year of the Borrower.

(g) No substantial part of the activities of the Borrower consists of providing "commercial-type insurance," within the meaning of Section 501(m) of the Code.

(h) The Borrower is not a "private foundation" as defined in Section 509 of the Code.

(i) The proceeds of the Bonds will not be used by the Borrower in any "unrelated trade or business" as such term is defined in Section 513(a) of the Code except to the extent described in and permitted under the Borrower's Tax Agreement (as defined in the Indenture).

(j) The Borrower shall not (A) perform any act or enter into any agreement that shall cause any revocation or adverse modification of its federal income tax status represented in paragraph (i), or (B) carry on or permit to be carried on in the facilities of the Borrower or permit such facilities to be used in or for any trade or business the conduct of which

is not substantially related to the exercise or performance by the Borrower of the purposes or functions constituting the basis for its exemption under Section 501(c)(3) of the Code if such use of such facilities would result in the loss of the Borrower's exempt status under Section 501(c)(3) of the Code.

(k) The Borrower shall operate the Property on a nonsectarian basis.

(l) The representatives and officers of the Borrower who are responsible for the Borrower's participation in the financing are aware of the meaning of the terms (A) "commercial-type insurance" as used in Section 501(m) of the Code, and (B) "unrelated trade or business" as used in Section 513(a) of the Code.

Section 4.13 Employee Relations.

Except as previously disclosed to the Lender, (i) neither the Borrower nor any of the Borrower's employees is subject to any collective bargaining agreement, (ii) no petition for certification or union election is pending with respect to the employees of the Borrower and no union or collective bargaining unit has sought such certification or recognition with respect to the employees of the Borrower, and (iii) there are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of the Borrower after due inquiry, threatened between the Borrower and its employees. Hours worked and payments made to the employees of the Borrower have not been in violation of the Fair Labor Standards Act or any other applicable law dealing with such matters. All payments due from the Borrower or for which any claim may be made against the Borrower, on account of wages and employee and retiree health and welfare insurance and other benefits have been paid or accrued as a liability on its books. The consummation of the transactions contemplated by this Agreement or any of the other Operative Documents will not give rise to a right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower is a party or by which it is bound.

Section 4.14 Information for Financing Statements.

The information contained in Exhibit B hereto is complete and correct.

Section 4.15 Brokers, etc.

To the best of the Borrower's knowledge, no person, corporation or other entity has, or as a result of any action of or by the Borrower in connection with the transactions contemplated hereby and by the Operative Documents will have, any right, interest or valid claim against or on the Lender for any commission, fee or other compensation as a broker or finder, or in any similar capacity (other than a fee to the Lender, which fee is the obligation solely of the Borrower). The Borrower shall pay any and all such fees, commissions or other compensation and shall indemnify the Lender against any claimed fee, commission or other compensation arising from or in connection with the transactions contemplated hereby or by the Operative Documents.

Section 4.16 Liens on Property and Security.

There exist no Liens on or with respect to the Property or any of the Security except for Permitted Encumbrances. The Lender has, or upon execution of this Agreement will have, and will continue to have as security for the Payment Obligations, a valid and perfected Lien on and security interest in all of the Security, free of all other Liens, claims and rights of third parties whatsoever, except for Permitted Encumbrances.

Section 4.17 Anti-Corruption Laws and Sanctions.

The Borrower believes its regular internal controls ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective directors, officers and employees and to the knowledge of the Borrower its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions. None of (a) the Borrower, any Subsidiary or any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facilities established hereby, is a Sanctioned Person. No use of the proceeds of the Bonds or other transactions contemplated by the Operative Documents will violate Anti-Corruption Laws or applicable Sanctions.

Section 4.18 Patriot Act.

To the extent applicable, the Borrower and each Subsidiary is in compliance, in all material respects, with (a) the Trading with the Enemy Act, as amended, and each of the foreign asset control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (b) the Patriot Act.

Section 4.19 Beneficial Ownership.

As of the Date of Issuance, the information included in the Beneficial Ownership Certification is true and correct in all respects.

ARTICLE 5. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that so long as the Lender owns the Bonds, the Borrower will:

Section 5.1 Financial Statements.

Deliver or cause to be delivered to the Lender:

(a) within 45 days after the end of the second and fourth fiscal quarters of the Borrower, unaudited, internally prepared financial statements of the Borrower, including a balance sheet and statements of income and fund balances, prepared in accordance with GAAP (except pension adjustments and Ground Lease accrual adjustments which have not been

adjusted since the most recent audit and which are noted in such financial statements), certified to be accurate, to the best knowledge of the person making such certification, by an authorized officer of the Borrower, and otherwise in form and substance reasonably satisfactory to the Lender;

(b) within 120 days after the end of each fiscal year of the Borrower, audited financial statements consisting of financial statements of the Borrower as of the end of such fiscal year, including a balance sheet, and statements of income, fund balances and cash flows of the Borrower for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the prior fiscal year and all prepared in accordance with GAAP, and accompanied by an opinion thereon reasonably acceptable to the Lender of an independent certified public accounting firm chosen by the Borrower and acceptable to the Lender;

(c) within 45 days after the end of each of the Borrower's second and fourth fiscal quarters, bank and/or brokerage account statements reflecting the Unrestricted Liquidity of the Borrower as of the end of such quarter, all in reasonable detail;

(d) within 45 days after the end of each of the Borrower's second fiscal and fourth fiscal quarters, a covenant compliance certificate in substantially the form of Exhibit A-1 attached hereto (certified to be accurate, to the best knowledge of the person making such certification, by an authorized officer of the Borrower), stating that, to the best of such officer's knowledge, the Borrower is not in default under this Agreement or the Operative Documents, and including calculations reflecting the Borrower's compliance with the financial covenant contained in Section 5.3 of this Agreement, all in reasonable detail;

(e) within 120 days after the end of each of the Borrower's fiscal years, a covenant compliance certificate in substantially the form of Exhibit A-2 attached hereto (certified to be accurate, to the best knowledge of the person making such certification, by an authorized officer of the Borrower), stating that, to the best of such officer's knowledge, the Borrower is not in default under this Agreement or the Operative Documents, and including calculations reflecting the Borrower's compliance with the financial covenants contained in Section 5.2 and Section 5.3 of this Agreement (for such fiscal year), all in reasonable detail;

(f) within 10 days after the approval thereof by the Borrower's board of trustees, but in any event not later than October 1 of each year, the annual budget of the Borrower;

(g) concurrently with the delivery of the operating budget as required by **Section 5.1(f)**, a current enrollment report containing admissions metrics for the school operated by the Borrower, broken down by grade, in form and content acceptable to the Lender;

(h) until the later of the completion of the Project or when pledges for the Project are substantially collected and there are sufficient funds to complete the Project, within 45 days after the end of each of the Borrower's second and fourth fiscal quarters, a report reflecting pledges receivable of the Borrower reflecting amounts collected during the six-month

period then ended and amounts outstanding at the end of such fiscal quarter, in form and content acceptable to the Lender; and

(i) prompt written notice of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification, and

(j) from time to time, such other financial data and information regarding the Borrower and the security for this Agreement as the Lender reasonably may request.

Section 5.2 Debt Service Coverage Ratio.

Maintain for each of its fiscal years, beginning with the fiscal year that ends on June 30, 2020, a ratio of Cash Flow for such fiscal year to Debt Service for such fiscal year of not less than 1.10 to 1.00, provided, however, that the Borrower may cure a violation of this covenant to the extent that the Borrower is in compliance with the Super Liquidity Covenant at the end of such fiscal year, provided further such cure right may not be exercised in consecutive fiscal years of the Borrower.

Section 5.3 Unrestricted Liquidity.

Maintain, as of the end of each of the second and fourth fiscal quarters of each of its fiscal years thereafter, beginning with the fiscal quarter ending on December 31, 2020, (a) prior to a Permitted Ground Lease Transfer, Unrestricted Liquidity of not less than \$20,000,000, and (b) from and after a Permitted Ground Lease Transfer, a ratio of Unrestricted Liquidity to Funded Debt then outstanding of not less than 0.50 to 1.00.

Section 5.4 Taxes and Claims.

Pay and discharge, and cause each of its Subsidiaries (if any) to pay and discharge, or cause to be paid and discharged, all Taxes imposed upon any of them or their income or properties prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a material lien or charge upon any of their properties. The Borrower shall have the right to contest the validity of any such tax, assessment, charge, levy or claim, by timely and appropriate proceedings, provided that the Borrower shall (i) give the Lender written notice of its intention to contest, (ii) diligently prosecute such contest, (iii) at all times effectively stay or prevent any official or judicial sale of the Property or any part thereof by reason of nonpayment of any such Taxes, and (iv) establish reasonable reserves for such liabilities being contested if the Lender reasonably determines such reserves to be necessary.

Section 5.5 Corporate Existence.

Maintain and cause each of its Subsidiaries (if any) to maintain, its corporate existence in good standing in the jurisdiction in which it is incorporated and in each other jurisdiction where it is required to register or qualify to do business if the failure to do so in such other jurisdiction might have a material adverse effect on the ability of the Borrower to perform the Payment Obligations, the conduct of the Borrower's operations, the Borrower's financial condition, or the value of, or the ability of the Lender to realize upon, the Security.

Section 5.6 Compliance with Laws and Other Requirements.

Comply, and cause each of its Subsidiaries (if any) to comply, with all applicable federal, state and local Laws, rules and regulations and observe the valid requirements of all Governmental Authorities, including, without limitation, the Occupational Safety and Health Administration and the Environmental Protection Agency, the noncompliance with or the nonobservance of which might have a material adverse effect on the ability of the Borrower to perform the Payment Obligations, the conduct of the Borrower's operations, the Borrower's financial condition, or the value of, or the ability of the Lender to realize upon the Security, subject to the Borrower's right to contest the validity or applicability of any of the foregoing, at its sole cost and expense, in good faith and by appropriate and diligent proceedings.

Section 5.7 Books and Records.

Maintain appropriate books and records and permit the Lender and its authorized representatives and employees, during normal business hours and with reasonable notice, (i) to have access to the books and records of the Borrower and its Subsidiaries (if any) at the offices of the Borrower, such Subsidiary or the Borrower's Independent Accountants, as the case may be, (ii) to make abstracts and photocopies thereof, and (iii) to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries (if any), with the officers, directors, employees and other representatives of the Borrower and such Subsidiary, and with the Borrower's Independent Accountants. The Borrower hereby irrevocably authorizes and directs all accountants and auditors employed by the Borrower and/or any of its Subsidiaries at any time prior to the repayment in full of the Payment Obligations to discuss freely with the Lender any information they may have concerning the financial status and business operations of any or all of the Borrower and/or any of its Subsidiaries, provided that such accountants and auditors shall notify the Borrower prior to any such discussion and the Borrower's representative may participate in such discussion.

Section 5.8 Preservation of Properties.

Maintain, preserve, protect and keep its properties which are material in value or are necessary for the conduct of its business, whether owned or leased, in good operating condition, working order and repair (ordinary wear and tear excepted), and from time to time will make all proper repairs, maintenance, replacements, additions and improvements thereto needed to maintain such properties in good operating condition, working order and repair, and do or cause to be done all things necessary to preserve and to keep in full force and effect its material franchises, leases of real and personal property, trade names, patents, trademarks and permits which are necessary for the orderly continuance of its business.

Section 5.9 Notice of Contingent Liabilities.

Deliver to the Lender written notice of all material actual and potential contingent liabilities, together with a brief description thereof, within 30 days after such liabilities arise (in the case of actual contingent liabilities) or the Borrower becomes aware thereof (in the case of potential contingent liabilities).

Section 5.10 Redemption.

Cause the Bonds to be redeemed by the Trustee prior to maturity on each December 1 listed in Exhibit C hereto in the principal amounts listed in the column captioned "Required Optional Redemption Installment" in Exhibit C hereto. All other optional redemptions shall reduce the Required Optional Redemption Installments set forth in Exhibit C hereto in inverse order of their due dates.

Section 5.11 Maintenance of Tax-Exempt Status.

Maintain its status as an organization which is described in Section 501(c)(3) of the Code and which is not a "private foundation" as defined in Section 509 of the Code, and provide to the Lender a copy of the most recent IRS information return form, if any, filed by the Borrower promptly after the Lender's request for such copy.

Section 5.12 Banking Relationship.

Maintain its primary commercial banking relationship, including operating accounts and treasury management services, with Truist Bank for as long as the Lender is the owner of the Bonds, provided that Truist Bank offers commercially reasonable banking services and products at commercially reasonable costs.

Section 5.13 Licenses, Accreditations, Etc.

Do or cause to be done all things necessary to preserve, renew and maintain in full force its respective rights, licenses, permits, privileges, franchises, accreditations patents, copyrights, trademarks and trade names material to the conduct of its business, including, without the generality of the foregoing, accreditations from the Maryland State Department of Education and Middle States Association of Colleges and Secondary Schools or a similarly authorized accrediting organization acceptable to the Lender.

Section 5.14 Certain Covenants.

In the event that the Borrower shall, directly or indirectly, enter into or otherwise consent to any agreement or instrument under which, directly or indirectly, any Person or Persons undertakes to make or provide credit or loans to the Borrower or under which the Borrower issues or incurs or could issue or incur Funded Debt, which agreement or instrument provides such Person or Persons with additional or more restrictive covenants, additional or different events of default or greater rights or remedies related thereto than are provided to the Lender in this Agreement, the Borrower shall provide Lender with a copy of each such agreement or instrument within five (5) Business Days of the effective date of thereof and, in any event, such additional or more restrictive covenants, such additional or different events of default or greater rights or remedies shall, unless otherwise stipulated in writing by the Lender, automatically be deemed to be incorporated into this Agreement, and the Lender shall have the benefits of such additional or more restrictive covenants, additional or different events of default or such greater rights or remedies as if specifically set forth herein for so long as any such agreement or instrument remains in effect. Notwithstanding anything to the contrary contained in this Section 5.14, the Borrower and the Lender agree that no provision described in this Section 5.14 shall be

deemed incorporated into this Agreement if such incorporation would cause the interest on the Bonds to be includable in the gross income of the holders thereof for federal income tax purposes.

ARTICLE 6. NEGATIVE COVENANTS

The Borrower covenants and agrees that so long as the Lender owns the Bonds, the Borrower will not, and will neither cause nor permit its Subsidiaries (if any) to, directly or indirectly:

Section 6.1 Borrowings or Contingent Liabilities.

Create, incur, assume or suffer to exist any Funded Debt, or assume, guarantee, endorse, contingently agree to purchase or otherwise become liable upon any obligations of any other person, firm, joint venture, partnership, corporation or other entity in any capacity, other than (a) indebtedness with respect to the Bonds, (b) other indebtedness to the Lender or Truist Bank, including any letters of credit issued by Truist Bank for the account of the Borrower, (c) trade debt incurred in the ordinary course of operations, (d) purchase money indebtedness and Capital Lease Obligations incurred by the Borrower with respect to equipment purchased or leased in the ordinary course of business, in and aggregate amount not to exceed \$2,000,000 at any time outstanding, and (e) other unsecured indebtedness, provided that the aggregate amount of indebtedness permitted by clauses (d) and (e) of this Section 6.1 shall not exceed \$10,000,000 in the aggregate at any time outstanding.

Section 6.2 Mortgages and Other Encumbrances.

Create, incur, assume or suffer to exist any mortgage, pledge, lien, lease, easement or other encumbrance of any kind upon, or any security interest in all or any portion of the Property or any of its other property or assets, whether now owned or hereafter acquired, except (a) liens in connection with worker's compensation, unemployment insurance or other social security obligations; (b) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of business; (c) mechanics, workmen's, materialmen's, landlords', carriers' or other like liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith; (d) purchase money Liens and Capital Leases on equipment securing indebtedness described in item (e) of Section 6.1 above, provided that such Liens attach only to the equipment financed with such indebtedness; (e) the Ground Lease; (f) any other unsubordinated ground leases of portions of the Property, provided that (A) the rent payable under each such ground lease is a market rent and such ground lease is otherwise commercially reasonable, and (B) the portion of the Property so ground leased, and the use and occupancy of such portion by the ground lessee thereunder and any sublessees thereof, will not interfere with the operation or financial viability of the Borrower's school operations on the remainder of the Property; (g) any easement in existence on the Date of Issuance; and (h) any easement granted after the Closing Date which does not materially adversely affect the value of the Property. The Lender acknowledges that the tenant

under the Ground Lease has encumbered its leasehold estate as permitted by the terms of the Ground Lease and such encumbrance does not violate the provisions of this Section 6.2.

Section 6.3 Loans or Advances.

Make (i) loans or advances to current or incoming students of the Borrower in excess of \$250,000 in the aggregate outstanding at any time, or (ii) loans or advances to any other person, corporation, partnership, limited liability company or other entity in excess of \$500,000 in the aggregate outstanding at any time. For the avoidance of doubt, the forgoing shall not apply to student aid grants.

Section 6.4 Disposition or Transfer of Assets.

Sell or otherwise dispose of any portion of the Property or any material portion of its other assets (except that the consent of the Lender shall not be required for (i) any sale or other disposition of such assets, including obsolete machinery and equipment, disposed of in the ordinary course of the Borrower's business, (ii) any sale or other disposition of personal property or marketable securities in exchange for fair market value received by the Borrower), and (iii) the Permitted Ground Lease Transfer.

Section 6.5 Merger or Acquisition, or Sale of Assets.

Enter into any merger or consolidation or acquire all or substantially all of the assets of any person, firm, joint venture or corporation.

Section 6.6 Other Agreements.

Enter into any agreement with any other Person (including any creditor) which contains any covenant or agreement which is more restrictive than or is otherwise inconsistent with any of the covenants and agreements contained in the any of the Operative Documents.

Section 6.7 Change of Basic Business.

Change in any material way its basic business (as described in the Determination Letter from the Internal Revenue Service relating to the Borrower's §501(c)(3) status under the Internal Revenue Code).

Section 6.8 ERISA Compliance.

(i) Restate or amend any Plan established and maintained by the Borrower or any Commonly Controlled Entity and intended to be tax-qualified under the Code, in a manner intended to disqualify such Plan under the applicable requirements of the Code if such disqualification is reasonably likely to have a material adverse effect on the Borrower or any Commonly Controlled Entity; (ii) permit any officers of the Borrower or any Commonly Controlled Entity to take any action intended to materially adversely affect the tax-qualified status of any Plan intended to be tax-qualified under the Code if the effect on the tax-qualified status of any such Plan is reasonably likely to have a material adverse effect on the Borrower or any Commonly Controlled Entity; (iii) engage in or permit any Commonly Controlled Entity to

engage in any Prohibited Transaction that is reasonably likely to have a material adverse effect on the Borrower or any Commonly Controlled Entity; (iv) incur or permit any Commonly Controlled Entity to incur any Accumulated Funding Deficiency, whether or not waived, that is reasonably likely to have a material adverse effect on the Borrower in connection with any Plan; (v) take or permit any Commonly Controlled Entity to take any action or fail to take any action which causes a termination of any Plan in a manner which is reasonably likely to result in the imposition of a lien on the property of the Borrower or any Commonly Controlled Entity pursuant to Section 4068 of ERISA; (vi) fail to notify the Lender that notice has been received of a termination of any Multiemployer Plan to which the Borrower or any Commonly Controlled Entity has an obligation to contribute; (vii) incur or permit any Commonly Controlled Entity to incur a complete or partial withdrawal from any Multiemployer Plan to which the Borrower or any Commonly Controlled Entity has an obligation to contribute where such complete or partial withdrawal is reasonably likely to have a materially adverse effect on the Borrower; or (viii) fail to notify the Lender that notice has been received from the administrator of any Multiemployer Plan to which the Borrower or any Commonly Controlled Entity has an obligation to contribute that any such plan will be placed in “reorganization”.

ARTICLE 7. CONSTRUCTION PROVISIONS

Section 7.1 Conditions Precedent to Funding Advances.

The Lender has made Funding Advances under the Bonds on the Date of Issuance to redeem the Refunded Bonds, to reimburse Project Costs paid by the Borrower prior to the Date of Issuance, to pay swap termination charges and to pay issuance costs. Subsequent Funding Advances shall be available during the Draw Period. At the end of the Draw Period, any funds remaining on deposit in the Construction Fund will be applied to Bond Redemption Payments in the inverse order of maturity. The minimum amount of any Funding Advance shall be \$100,000. The Lender shall not be required to approve any subsequent Funding Advances for the Work or otherwise until all of the conditions of Article 3 hereof have been satisfied and such of the following additional conditions as the Lender may require are satisfied:

(a) Project Budget; Plan and Cost Review. The Lender must receive and approve (1) the Project Budget and (2) a cost and plan review from the Independent Inspector. Prior to the first Funding Advance for the Work, the Lender must be satisfied that the aggregate amount on deposit in the Equity Account and the Construction Fund plus the amount to be received during the Draw Period from written pledges for the Project will be sufficient to pay for all Work relating to the Dormitory Project. Any costs on the Project Budget for the Work in excess of the total to be funded by the Funding Advances from the Construction Fund shall be funded by the Borrower prior to any Funding Advances from the Construction Fund being approved by the Lender, and the Borrower shall first use the Equity Account and collections of pledges to pay for the Work with respect to the Dormitory Project. No Funding Advances shall be used for Ancillary Projects until the Dormitory Project has been completed.

(b) Compliance with Governmental Requirements. The Borrower will provide evidence reasonably satisfactory to the Lender, consistent with customary construction lending, underwriting and due diligence guidelines, that (1) when completed, the Project and its

use will comply fully with all applicable flood hazard, building, subdivision, environmental, pollution control and other governmental laws (including, without limitation, the Americans with Disabilities Act), orders, rules and regulations (with such compliance being based on no real estate or rights appurtenant thereto other than the Project), and (2) the Borrower will be able to obtain when required and comply with the conditions of all licenses, permits and approvals required by any governmental or quasi-governmental authority for the construction of the Work. The Borrower will furnish to the Lender copies of all such licenses, permits and approvals.

(c) Construction Contract. The Borrower will deliver to the Lender a general contract with the General Contractor, for the complete construction and equipping of the Work, providing for a guaranteed maximum price not greater than the amount specified in the Project Budget accepted by the Lender. The provisions of the contract will be reasonably satisfactory to the Lender in all respects.

(d) Plans and Specifications. The Borrower will deliver to the Lender (1) a copy of the site plan for the Project and (2) a complete copy of the final Plans and Specifications, together with such evidence as the Lender may require that the site plan and the Plans and Specifications have been approved by all Governmental Authorities having or claiming jurisdiction over the Project.

(e) Cost Breakdown and Schedule of Funding Advances. The Borrower will provide the Lender with schedules reasonably satisfactory to the Lender indicating (1) all costs that will be incurred in connection with the Work, and (2) the anticipated amounts and dates of requests for Funding Advances.

(f) Boundary Survey. The Borrower will provide the Lender with a boundary survey of the Property and a limit of disturbance plan reflecting that the Dormitory Project will be constructed within the boundaries of the Property.

Section 7.2 Covenants and Agreements with respect to the Work.

The Borrower covenants and agrees with the Lender that the Borrower will comply with such of the covenants and conditions below as may be required by the Lender:

(a) Completion of Work. The Borrower will cause the Work to be commenced by November 30, 2020 (or as soon thereafter as building permits are obtained) and prosecuted with diligence and continuity and will complete, on or before the Outside Completion Date, the Work substantially in accordance with the Plans and Specifications, the Project Budget and the Construction Contracts (subject to such completion delays and change orders as may be acceptable to the Lender in its reasonable discretion), free and clear of Liens or claims for Liens for material and supplies and for labor or services performed in connection with the Work, other than mechanics and other liens being contested by the Borrower in good faith. Notwithstanding the preceding sentence, the date of commencement and the Outside Completion Date shall be extended for a period of time equal to the number of days during which the Borrower is prevented from proceeding the Work by reason of Force Majeure, provided further that (1) there is no continuing Event of Default, (2) the aggregate of any such extensions shall be for a period not in excess of 60 days (or such shorter period as may be provided for in the Construction

Contract with the General Contractor, or such longer period as may be approved by the Lender in its reasonable discretion), and (3) the Borrower notifies the Lender of the events constituting such Force Majeure within 30 days after the Borrower has acknowledged that such events will cause a delay in the commencement or completion of the Work. The Borrower will not make any change to the Plans and Specifications, the Project Budget or the Construction Contract with the General Contractor, without the prior written consent of the Lender, which consent shall not be unreasonably withheld, conditioned or delayed, provided that no consent of the Lender shall be required for change orders that do not exceed \$250,000 in any individual case or \$750,000 in the aggregate ("Permitted Change Orders"). Consent of the Lender shall be required for changes to the Project Budget that exceed \$250,000 in any individual case or \$750,000 in the aggregate, and the Project Budget shall contain a separate hard costs contingency reserve of 5% of hard costs. All re-allocations of such hard costs contingency for any propose other than hard costs resulting from Permitted Change Orders shall require the approval of the Lender. So long as any funds remain in any contingency fund or reserve maintained for the Project other than for hard costs, the Borrower may modify or re-allocate amounts under those contingencies at its discretion.

(b) Inspection. The Borrower will permit the Lender, its representatives and its Independent Inspector to enter upon the Property to inspect the Work, subject to work-site safety rules of general applicability, and all materials to be used in the Work, and to examine all detailed plans and drawings which are or may be kept at the construction site, and will cooperate, and cause each Construction Contractor to cooperate, with the Lender and, if applicable, the Independent Inspector in connection with any such inspections.

(c) Delivery of Certain Documents to Lender. Prior to any request of the Borrower for the Lender's approval of a Funding Advance, the Borrower will deliver to the Lender, upon its reasonable request therefor, any contracts, bills of sale, statements, receipted vouchers or agreements, under which the Borrower claims title to any materials, fixtures or articles incorporated in the Work.

(d) Compliance With Restrictions, etc. The Borrower will comply in all material respects with all applicable building restrictions, zoning ordinances, building codes, environmental protection requirements and other governmental regulations applicable to the Work.

(e) Payment of Contractors. The Borrower will promptly pay each Construction Contractor, any supplier of equipment and all other contractors and materialmen the amounts justly due to them (except where payment is being contested by the Borrower in good faith), receive the Funding Advances, and hold the right to receive such disbursements, as trust funds to be applied for the purpose of paying the cost of completion of the Work and the other Project Costs set forth on the Project Budget.

(f) Independent Inspector. The Lender will retain an Independent Inspector to act as the Lender's Independent Inspector with respect to the Work. The Borrower will pay the reasonable fees of any Independent Inspector, which will be determined after the Lender and the Independent Inspector receive the final Project Budget, Plans and Specifications and construction contracts relating the Work.

(g) Application of Proceeds of the Funding Advances. Notwithstanding anything to the contrary contained in this Agreement, the Borrower shall not be entitled to receive any Funding Advance if the Lender determines that there are not sufficient amounts remaining to be disbursed from the remaining pledges for the Project and Funding Advances to complete the Project. If the Lender determines that the shortfall described in the foregoing sentence exists, the Borrower shall pay Project Costs with its own funds until such shortfall is eliminated to the Lender's satisfaction, or, if required by the Lender, the Borrower shall deposit promptly funds in the amount of such deficiency in the Construction Fund or the Equity Account and such deposit shall be disbursed from time to time until the shortfall is eliminated. The Funding Advances will be used to pay the Project Costs permitted by the Loan Agreement and this Agreement. Funding Advances will be disbursed to the Borrower or its order pursuant to the procedures set forth herein and in the Loan Agreement to pay the Project Costs as set forth under the categories and up to the amounts as specified in the Project Budget. The Lender in its reasonable discretion, at the Borrower's request, may permit the reallocation of any Project Costs as set forth in the Project Budget, except for reallocations that do not require the Lender's approval pursuant to Section 7.2(a). The Borrower shall deliver to the Lender an executed copy of a Requisition for each Funding Advance, together with any documentation necessary to meet the requirements of the Loan Agreement. The Lender shall have a period of seven (7) Business Days within which to approve any Requisition and shall not be required to approve Requisitions more than once each month. Requisitions for disbursements for direct costs of construction shall include the AIA approved progress payment form, which shall be signed by the General Contractor and the Borrower's architect for the Project. The Lender shall in no event be required to approve any Funding Advance based on a percentage of completion of the Work greater than that reasonably estimated by the Independent Inspector. Funding Advances for direct costs of construction (other than the last disbursement) shall be subject to the retainage of 10% or such greater retainage as is provided for in the applicable Construction Contract; provided, however, that in no event shall any disbursement for direct construction costs, when added to the amount of all prior disbursements for direct construction costs, exceed 100% of the value of the Work performed and material in place, as determined by the Lender, or, if applicable, the Independent Inspector. If the Construction Contract accepted by the Lender so provides, subsequent retainage may be reduced to 5% when the Project is 50% completed, and retainage for subcontractors providing excavation, support of excavation, demolition, sheeting, shoring, concrete and structural steel may be advanced when such Work is completed and final lien waivers are received. Any retainage with respect to the direct costs of construction will be released when the Lender has been furnished with (1) a copy of the certificate of completion required by Section 7.3(i) of this Agreement, (2) final waivers of liens from the Construction Contractors and direct subcontractors (if required by the Lender), (3) if required by any applicable Governmental Authority, an "as built" survey satisfactory to the Lender, and (4) a copy of the permanent use and occupancy certificate for the Project, issued by the appropriate Governmental Authority, if the same is customarily issued upon completion of the applicable Work described in the Plans and Specifications, provided, however, that if a particular subcontractor has completed the Work to be performed by it to the satisfaction of the Lender and the Independent Inspector, retainage for such Work may, with the prior written consent of the Lender, be released upon receipt by the Lender of final lien waivers with respect to such Work. Disbursements for Project Costs other than direct costs of construction shall be limited to 100% of the amount set forth in each approved Requisition for disbursement. Except for deposits required by vendors of equipment to

be incorporated into the Project, the Lender shall not be required to approve any Requisition for disbursement for the purchase of materials until such materials have been delivered to the Property or to a staging site acceptable to the Lender and secured and insured to the reasonable satisfaction of the Lender, or unless such materials have been stored, segregated and identified to the reasonable satisfaction of the Lender and such materials will be incorporated into the Project within 45 days of the applicable Funding Advance, and not more than \$750,000 of Funding Advances shall be outstanding at any time for stored materials.

(h) Conditions Precedent to the Request for Funding Advances. The Lender shall make Funding Advances under the Bonds during the Draw Period. The Lender shall not be obligated to approve any Requisition until all of the following conditions precedent shall have been satisfied in all material respects:

(i) No Default. No Default or Event of Default shall have occurred and be continuing.

(ii) Waivers of Liens; Receipts. At the request of the Lender, the Borrower shall have furnished waivers of liens and receipts of payment as to the General Contractor and each Construction Contractor for all work performed to the date of each Requisition at the time such Requisition is submitted and waivers of liens as to each supplier for materials included in the last previous Requisition within 30 days from the date of funding of the last previous Requisition, or prior to the next Requisition, whichever shall first occur.

(iii) Sufficient Funds to Complete Project. The sum of the funds being requisitioned, plus all prior disbursements of the Funding Advances, plus the aggregate of all retentions and undisbursed funds shall be sufficient, in the reasonable opinion of the Lender, after consultation with the Independent Inspector, if applicable, to complete the Work in accordance with the Plans and Specifications and to pay all remaining Project Costs.

(iv) Permits. The Borrower shall have furnished to the Lender all building permits required for the applicable Work by all applicable Governmental Authorities.

(v) Final Disbursement. If the disbursement is the final Funding Advance, in order to obtain release of the retainage, in addition to the satisfaction of all conditions set forth in this Section, the Borrower shall have provided the certificate of completion described in Section 7.2(i) hereof, together with the accompanying documents described therein.

(vi) Title Report. For the initial Funding Advance, the final Funding Advance, and at such other times as may be required by the Lender, it shall receive a title report confirming that the Property is clear of Liens (other than Permitted Encumbrances) to the date of such disbursement. The Lender shall not be required to approve any Funding Advance if the aggregate amount of unbonded filed mechanics, workmen's, materialmen's or other like Liens filed against the Property exceeds \$50,000. The Lender acknowledges receipt of the title report required for the initial Funding Advance.

(i) Establishment of Completion Date. The date on which the Work is complete in all material respects shall be evidenced to the Lender by certificates signed by the

Borrower, the General Contractor, the architect for the Project and the Independent Inspector, stating in substance that to the best of such Person's knowledge (1) the Work has been completed in all material respects in accordance with the Plans and Specifications and all applicable zoning and building laws, ordinances and regulations, and all labor, services, materials and supplies used in such construction, acquisition and installation have been paid for (or appropriate escrows have been established), (2) all other improvements necessary in connection with the Work have been acquired and constructed, and all costs and expenses incurred in connection therewith have been paid, and (3) the Project, as constructed, is suitable and sufficient for its intended purposes, in all material respects. Such certificate shall have attached thereto final waivers of liens of the General Contractor and all other Construction Contractors, if required by the Lender, as well as a copy of the permanent certificate of occupancy for the Project, if the same is available and customarily issued upon completion of the Work described in the Plans and Specifications and each may state when given that it is without prejudice to the Borrower's rights against third parties.

(j) Approvals and Inspections. Neither the approval by the Lender of the Plans and Specifications, nor any subsequent inspections or approvals of the Work during construction or installation shall constitute a warranty or representation by the Lender or any of its agents, representatives or designees, as to the technical sufficiency, adequacy or safety of the structure or any of its component parts, including, without limitation, its fixtures, equipment or furnishings, nor shall such approvals or inspections constitute such a warranty or representation as to the subsoil conditions involved in the Property or any other physical condition or feature pertaining to the Project. All acts, including any failure to act, relating to the Work by any agent, representative or designee of the Lender are performed solely for the benefit of the Lender to assure payment and performance of the obligations of the Borrower to the Lender and are not for the benefit of the Borrower or the benefit of any other person.

ARTICLE 8. EVENTS OF DEFAULT

Section 8.1 Events of Default.

Upon the occurrence of any of the following events (herein referred to as an "Event of Default"), unless waived by the Lender:

(a) Any material representation or warranty made herein or any statement or representation made in any certificate, report, financial statement or other instrument furnished in connection with this Agreement or any of the other Operative Documents, proves to have been incorrect, false or misleading in any material respect when made (or, if applicable, reaffirmed); or

(b) The Borrower fails to pay within five days of the date on which the same is due and payable as herein provided, any Payment Obligation or any other payment whatsoever required by this Agreement to be paid by the Borrower; or

(c) The Borrower fails to duly and promptly perform, comply with or observe, in any material respect, any of the terms, covenants, conditions or agreements contained in Section 5.2, 5.3, 5.10 or Article 6; or

(d) The failure of the Borrower to provide to the Lender the financial information described in Section 5.1 hereof, and the continuance of any such failure for 30 days; or

(e) The Borrower fails to duly and promptly perform, comply with or observe any other term, covenant, condition or agreement contained in this Agreement or any of the other Operative Documents, which failure remains unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Lender provided, however, if such failure be such that it cannot be corrected within 30 days, it shall not be an Event of Default if, in the reasonable opinion of the Lender, the Borrower is taking appropriate corrective action to cure the failure and if such failure will not impair the ability of the Borrower to pay or perform the Payment Obligations and such failure is cured within 60 days after such written notice is given by the Lender to the Borrower; or

(f) A Bankruptcy Filing occurs with respect to the Borrower, or the Borrower becomes generally unable to pay its debts as they become due; provided, however, if a proceeding with respect to a Bankruptcy Filing is filed or commenced against the Borrower, the same shall not constitute an Event of Default if such proceeding is dismissed within 90 days from the date of such a Bankruptcy Filing; or

(g) An “event of default” or “Event of Default” occurs under any of the other Operative Documents; or

(h) Any judgment against the Borrower or any of its Subsidiaries or any attachment or other levy against the property of the Borrower (or any of its Subsidiaries) with respect to a claim in excess of \$1,000,000 (for a single claim) or with respect to multiple claims for amounts in excess of \$1,000,000 in the aggregate, remains unpaid, unappealed, undischarged, unbonded or undismissed for a period of 60 days; or

(i) Default is made with respect to any Funded Debt or other liability for borrowed money of the Borrower to the Lender or Truist Bank (other than the Payment Obligations), or with respect to Funded Debt or other liability for borrowed money of the Borrower to any other Person, if the effect of such default is to accelerate the maturity of such evidence of indebtedness or liability or to permit the holder of such Funded Debt or liability for borrowed money to cause any indebtedness to become due prior to its stated maturity, or any such indebtedness is not paid as and when due and payable; or

(j) Any material execution or attachment is levied against any portion of the Property and such execution or attachment is not set aside, discharged, bonded against, or stayed within 30 days after the same is levied; or

(k) The Borrower fails to comply with any material requirement of any Governmental Authority having jurisdiction which failure materially adversely affects the ability of the Borrower to conduct, any substantial and material part of its business as it is currently

being conducted; within the time required by such Governmental Authority; or any proceeding is commenced or action taken to enforce any remedy for a violation of any material requirement of a Governmental Authority or any restrictive covenant adversely affecting the Property or any part thereof;

then, and in any such event, the Lender may, in its sole discretion, but shall not be obligated to, (i) by notice to the Borrower, declare all amounts payable by the Borrower hereunder to be forthwith due and payable, and the same shall thereupon become due and payable without demand, presentment, protest or further notice of any kind, all of which are hereby expressly waived, and/or (ii) exercise all of its rights and remedies under the Operative Documents or otherwise available to the Lender at law or in equity, and/or (iii) by notice to the Trustee, require the Trustee to accelerate payment of all Bonds and interest accrued thereon as provided in Section 7.02 of the Indenture.

Upon the occurrence of an Event of Default, the Lender may proceed under the Maryland Uniform Commercial Code or the Uniform Commercial Code of any other jurisdiction in which any security for the Payment Obligations may be located from time to time as to all or any part of the security for the Payment Obligations (including, without limitation, the Security described in Section 2.5 hereof), and in conjunction therewith exercise all of the rights, remedies and powers of a secured party under such Uniform Commercial Code. Upon the occurrence of any Event of Default hereunder, the Borrower shall assemble all of such security for the Payment Obligations and all books and records relating thereto, and make the same available to the Lender. Any notification required by the Maryland Uniform Commercial Code shall be deemed reasonably and properly given if mailed by certified mail, return receipt requested, postage prepaid, by the Lender to the Borrower at the address specified in Section 10.5 hereof at least 21 days before any sale or other disposition of the security for the Payment Obligations, or any portion thereof. Disposition of the security for the Payment Obligations, or any portion thereof, shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the community in which the applicable portion of the Security is located.

No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or any other Operative Document or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to exercise any remedy reserved to the Lender in this Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any provision contained in this Agreement should be breached by any party and thereafter duly waived by the other party so empowered to act, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties thereunto duly authorized by this Agreement.

ARTICLE 9. INDEMNIFICATION

Section 9.1 Indemnification.

In addition to all amounts payable hereunder, the Borrower shall protect, indemnify, and save harmless the Lender, the Lender's parent and affiliates and their officers, directors, shareholders, employees and agents and their respective heirs, personal representatives and assigns (each and collectively, the "Indemnified Parties") against and from any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature incurred by, or asserted or imposed against, any of the Indemnified Parties, by reason of (a) any accident, injury (including death) or damage to any person or property, however caused (other than the gross negligence, willful misconduct, or bad faith of the Lender or such other Indemnified Parties), resulting from, connected with or growing out of any alleged act of commission or omission of the Borrower, or any officers, employees, agents, assignees, contractors or subcontractors of the Borrower or any use, non-use, possession, occupation, condition, operation, service, design, construction, renovation, acquisition, maintenance or management of, or on, or in connection with, the Property, or any part thereof (including, without limitation, any part thereof); or (b) any untrue statement of a material fact or any omission to state a material fact (except statements or omissions relating to the Lender) necessary in order to make any such statements made, in light of the circumstances under which they were made, not misleading made in connection with the sale of the Bonds; and, in any such case, regardless of whether such liabilities, suits, actions, claims, demands, damages, losses, expenses and costs be against, or be suffered or sustained by, any of the Indemnified Parties, or be against, or be suffered or sustained by, legal entities, officers, agents, or other persons to whom any of the Indemnified Parties become liable therefor. In case any action or proceeding shall be brought against one or more of the Indemnified Parties and in respect of which indemnity may be sought as provided herein, such Indemnified Party or Indemnified Parties shall promptly notify the Borrower in writing and the Borrower shall promptly assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Party or Indemnified Parties, payment of all expenses and the right to negotiate and consent to settlement; but the failure to notify the Borrower as provided herein shall not affect the indemnification rights of any Indemnified Party hereunder unless such failure to provide notice materially and adversely impairs the Borrower's ability to defend the Indemnified Party. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the reasonable fees and expenses of such counsel shall be at the expense of such Indemnified Parties or Indemnified Parties unless (x) the employment of such counsel has been specifically authorized in writing by the Borrower, (y) the named parties to any such action (including any impleaded parties) include both the Borrower and such Indemnified Party or Indemnified Parties and representation of both the Borrower and such Indemnified Party or Indemnified Parties by the same counsel would be inappropriate due to actual or potential differing interests between them, or (z) the Indemnified Party or Indemnified Parties have been advised that one or more legal defenses may be available to any or all of them which may not be available to the Borrower in which case the Borrower shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel. The Borrower shall not be liable for any settlement of any such action effected without its consent, but if settled with such consent or if there is a final judgment in any such action with or without consent, the

Borrower agrees to indemnify and hold harmless the Indemnified Party or Indemnified Parties from and against any loss by reason of such settlement or judgment.

If the indemnification provided for herein is held by a court to be unavailable or is insufficient to hold the Lender harmless in respect of any losses, claims, damages or liabilities (or actions in respect thereof), then the Borrower shall contribute to the amount paid or payable by the Lender as a result of the losses, claims, damages or liabilities (or actions in respect thereof) (except those caused by the gross negligence, willful misconduct or bad faith of the Lender or its officers, agents or employees) in such proportion as is appropriate to reflect the relative fault of the Borrower on the one hand and the Lender on the other hand, as well as any other relevant equitable considerations.

ARTICLE 10. MISCELLANEOUS

Section 10.1 Amendments.

Subject to the Section 5.11 of the Loan Agreement, this Agreement may be amended, and the Borrower may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Borrower shall obtain the written consent of the Lender. No course of dealing between the Borrower and the Lender, nor any delay in exercising any rights hereunder shall operate as a waiver of any rights of the Lender hereunder.

Section 10.2 Survival of Representations and Warranties.

All representations and warranties contained herein or made in writing by the Borrower in connection herewith shall survive the execution and delivery of this Agreement, regardless of any investigation made by the Lender or on its behalf.

Section 10.3 Expenses.

The Borrower hereby agrees to pay promptly all reasonable costs and expenses in connection with the preparation, issuance, delivery, filing, recording and administration of the Bonds, this Agreement, the other Operative Documents, and any other documents which may be delivered in connection with this Agreement, including, without limitation, the reasonable fees and expenses of the Trustee and counsel to the Trustee (if any), reasonable Bond Counsel fees, the reasonable fees and expenses of Hunton Andrews Kurth LLP, counsel for the Lender (in an amount not to exceed \$30,000), and all reasonable costs and expenses (including reasonable counsel fees and expenses) in connection with (a) any and all amounts which the Lender has paid relative to the Lender's curing of any Event of Default resulting from the acts or omissions of the Borrower under this Agreement, any other Operative Document or the Bonds, and (b) the enforcement of this Agreement or any other Operative Document. In addition, the Borrower hereby agrees to pay any and all fees payable or determined to be payable in connection with the filing of financing statements, and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such fees. Notwithstanding the foregoing, no payment shall be required under this **Section 10.3** in respect of any cost or expense the Lender has incurred because of its gross negligence or willful misconduct.

Section 10.4 Set-off.

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, during the continuance of any Event of Default hereunder arising out of the failure of the Borrower to pay any Payment Obligations when due (including payment due upon the acceleration of the Payment Obligations in accordance with the terms of this Agreement) the Lender is hereby authorized at any time and from time to time, without notice to the Borrower or to any other person or entity, any such notice being hereby expressly waived, to set-off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by the Lender to or for the credit or the account of the Borrower against and on account of the obligations and liabilities of the Borrower to the Lender under this Agreement, irrespective of whether or not the Lender shall have made any demand hereunder and although said obligations, liabilities or claims, or any of them, shall be contingent or unmatured.

Section 10.5 Notices; Effectiveness; Electronic Communication.

(a) Except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by electronic mail to the Borrower or the Lender to the address or electronic mail address specified below. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (c).

(b) Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Lender.

(c) Unless the Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) In no event shall the Lender have any liability to the Borrower or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Lender's transmission of materials through the Internet.

(e) Each of the Borrower and the Lender may change its address for notices and other communications hereunder by notice to the other parties hereto.

(f) The Lender shall be entitled to rely and act upon any notices (including telephonic or electronic notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Lender from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Lender may be recorded by the Lender, and each of the parties hereto hereby consents to such recording. Except as otherwise specified herein, all notices hereunder shall be given by United States certified or registered mail or by telecommunication device capable of creating written record of such notice and its receipt.

(g) Notices hereunder shall be effective when received and shall be addressed as follows:

If to the Lender, to:	STI Institutional & Government, Inc. 1445 New York Avenue, NW, 4 th Floor Washington, DC 20005 Attention: Jill A. Fields, Not for Profit Banking Email: jill.fields@suntrust.com
-----------------------	---

If to the Borrower, to:	Georgetown Preparatory School, Incorporated 10900 Rockville Pike North Bethesda, Maryland 20852 Attention: Robert Posniewski Email: rposniewski@gprep.org
-------------------------	---

Section 10.6 Satisfaction Requirement.

If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to or approved by the Lender, the determination of such satisfaction or such approval shall be made by the Lender in its judgment exercised in good faith, and shall not be unreasonably withheld, delayed or conditioned.

Section 10.7 Binding Effect; Assignment.

This Agreement is a continuing obligation and shall (a) be binding upon the Borrower and its successors, transferees and assigns and (b) inure to the benefit of and be enforceable by the Lender and its successors, transferees and assigns; provided, however, that the Borrower may not assign all or any part of this Agreement without the prior written consent of the Lender. The Lender may, at no cost to and with notice to the Borrower, assign, negotiate, pledge or otherwise hypothecate all or any portion of this Agreement, or grant participations herein, in the Bonds or in any of its rights or security hereunder, including, without limitation, the instruments securing

the Borrower's obligations hereunder. No such assignment or participation by the Lender, however, will relieve the Lender of its obligation under this Agreement. In connection with any assignment or participation, the Lender may disclose to the proposed assignee or participant any information that the Borrower is required to deliver to the Lender pursuant to this Agreement. If no Event of Default has occurred and is continuing, the Borrower shall have the right to consent to any assignment or participation, provided that such consent shall not be unreasonably withheld.

Section 10.8 Severability; No Obligation to Exhaust Other Remedies.

If any provision of this Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof. The Lender shall be entitled to bring any suit, action or proceeding against the Borrower for the enforcement of any provision of this Agreement without exhausting any other remedies which it may have pursuant to the terms of any other Operative Document and without resort to any other security held by or available to the Lender thereunder.

Section 10.9 Relationship between Borrower and Lender.

The Lender represents and warrants that the Lender does not "control" the Borrower, either directly or indirectly through one or more controlled companies, within the meaning of Section 2(a)(9) of the Investment Company Act of 1940. The Lender covenants and agrees to provide written notice to the Trustee thirty days prior to the consummation of any transaction that would result in the Borrower controlling or being controlled by the Lender within the meaning of Section 2(a)(9) of the Investment Company Act of 1940.

Section 10.10 Waiver of Jury Trial.

EACH OF THE BORROWER AND THE LENDER IRREVOCABLY AND VOLUNTARILY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY CONTROVERSY OR CLAIM BETWEEN THE BORROWER AND THE LENDER, WHETHER ARISING IN CONTRACT, TORT OR BY STATUTE, INCLUDING BUT NOT LIMITED TO ANY CONTROVERSY OR CLAIM THAT ARISES OUT OF OR RELATES TO THIS AGREEMENT OR ANY OF THE OTHER OPERATIVE DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.

Section 10.11 Governing Law.

This Agreement is being delivered and is intended to be performed in the State of Maryland and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Maryland.

Section 10.12 Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

Section 10.13 Limitation of Liability of Directors, Trustees or Officers.

No recourse under or upon any obligation, indemnity, covenant or agreement contained in this Agreement or under any judgment obtained against the Borrower, or by the enforcement of any assessment or by legal or equitable proceedings by virtue of any constitution or statute or otherwise or any under circumstances, under or independent of this Agreement, shall be had against any director, trustee, officer, employee or agent, as such, past, present or future, of the Borrower, either directly or through the Borrower, or otherwise, for the payment for or to the Borrower or any receiver thereof, or to the Lender or otherwise of any amount that may become owed by the Borrower hereunder. Any and all personal liability of every nature, whether at common law or in equity, or by statute or constitution or otherwise, of any director, trustee, officer, employee or agent, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Borrower or any receiver thereof, the Lender or otherwise, of any amount that may become owed by the Borrower hereunder is hereby expressly waived and released as a condition of and in consideration for the execution of this Agreement.

Section 10.14 Term of Agreement.

This Agreement shall remain in force and effect until the Payment Obligations have been indefeasibly paid and discharged in full, provided, however, that any indemnification or other protection provided (a) to the Lender pursuant to the Section 2.2 and Section 2.3 shall survive for a period of 24 months following the termination of this Agreement, (b) to the Lender pursuant to Section 2.4 shall survive until all applicable statute of limitations have expired, and (c) to the Lender or any Indemnified Party pursuant to Section 8.1 shall survive the termination of this Agreement.

Section 10.15 No Advisory or Fiduciary Relationship.

The Borrower acknowledges and agrees that its dealings with the Lender are solely in the nature of a debtor/creditor relationship and that in no event shall the Lender be considered to be a partner or joint venturer of the Borrower. Also, the Borrower represents and warrants that it has independently evaluated the business transaction and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Lender (including agents of the Lender), if any, in deciding to pursue such undertaking. As the Borrower is experienced in business, in no event shall the Lender owe any fiduciary or similar obligations to it in connection with the subject transaction. In connection with all aspects of each transaction contemplated hereunder (including in connection with any amendment, waiver or other modification hereof or of any other Operative Document), the Borrower and the Issuer each acknowledges and agrees, that: (a) (i) each of the Borrower and the Issuer has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, (ii) each of the Borrower and Issuer is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Operative Documents, (iii) the Lender is not acting as a municipal advisor or financial advisor to the Borrower or the Issuer and (v) the Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act to the Borrower or the Issuer with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Borrower or Issuer on other matters);

(b) (i) the Lender is and has been acting solely as a principal in an arm's-length commercial lending transaction and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Borrower or any Issuer, or any other Person and (ii) the Lender has no obligation to the Borrower or the Issuer, with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Operative Documents; (c) notwithstanding anything herein to the contrary, it is the intention of the Borrower, the Issuer and the Lender that the Operative Documents represent a commercial loan transaction not involving the issuance and sale of a municipal security, and that any bond, note or other debt instrument that may be delivered to the Lender is delivered solely to evidence the repayment obligations of the Borrower and the Issuer under the Loan Documents; and (d) the Lender may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and the Issuer, and the Lender has no obligation to disclose any of such interests to the Borrower or the Issuer. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby. If the Borrower or the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Borrower or Issuer, the Borrower or Issuer is free to engage a municipal advisor to serve in that capacity. The Operative Documents are entered into pursuant to and in reliance upon the Lender exemption and/or the institutional buyer exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq, to the extent that such rules apply to the transactions contemplated hereunder.

Section 10.16 No Bonds Rating; DTC; CUSIP.

For as long as the Bonds are held by the Lender, unless the Lender otherwise consents in its sole discretion, the Bonds shall not be (i) assigned a separate rating by any credit rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

Section 10.17 Patriot Act.

The Lender is subject to the Patriot Act and hereby notifies the Borrower that (a) pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Act and (b) pursuant to the Beneficial Ownership Regulation, it is required to obtain a Beneficial Ownership Certificate. The Borrower shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

Section 10.18 Electronic Execution of Certain Documents.

The words "execute," "execution," "signed," "signature," and words of like import in any in any amendment or other modification hereof (including waivers and consents) shall be

deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

**GEORGETOWN PREPARATORY SCHOOL,
INCORPORATED**

By: _____

Name: Reverend James R. Van Dyke, S.J.

Title: President

**STI INSTITUTIONAL & GOVERNMENT,
INC.**

By: _____

Name: Jill A. Fields

Title: Authorized Agent

EXHIBIT A-1

Covenant Compliance Certificate

In connection with the terms of the Lender Mode Credit Agreement, dated as of December 1, 2020 (the "Credit Agreement"), between Georgetown Preparatory School, Incorporated (the "Borrower") and STI Institutional & Government, Inc. (the "Lender"), the undersigned certifies that the following information is true and correct as of the date of this Covenant Compliance Certificate:

1. To the best of the undersigned's knowledge, no Default or Event of Default has occurred and is continuing.

2. As of the semi-annual period of the Borrower ended on _____, 20__, Unrestricted Liquidity was \$_____ and the ratio of Unrestricted Liquidity to Funded Debt was __ to 1.00, each as calculated on Schedule 1.

The Credit Agreement requires that Unrestricted Liquidity be not less than \$20,000,000 prior to a Permitted Ground Lease Transfer and after a Permitted Ground Lease Transfer a ratio of Unrestricted Liquidity to Funded Debt of not less than 0.50 to 1.00.

3. Capitalized terms used in this Covenant Compliance Certificate shall have the same meanings as those assigned to them in the Credit Agreement. The foregoing is true and correct as of _____, 20__.

Dated _____, _____.

Name: _____

Title: _____

Schedule 1

Unrestricted Liquidity

1. Funded Debt as of _____ \$ _____
2. Unrestricted Liquidity as of _____ \$ _____
_____ to 1
3. Ratio of Unrestricted Liquidity to Funded Debt

EXHIBIT A-2

Covenant Compliance Certificate

In connection with the terms of the Lender Mode Credit Agreement, dated as of December 1, 2020 (the "Credit Agreement"), between Georgetown Preparatory School, Incorporated (the "Borrower") and STI Institutional & Government, Inc. (the "Lender"), the undersigned certifies that the following information is true and correct as of the date of this Covenant Compliance Certificate:

1. To the best of the undersigned's knowledge, no Default or Event of Default has occurred

2. For fiscal year ended on June 30, 20__, the ratio of Cash Flow to Debt Service was __ to 1, calculated as set forth on Schedule 1.

The Credit Agreement requires that such ratio be not less than 1.10 to 1.00

3. If the Borrower wishes to rely on the cure provisions provided for in Section 5.2 of the Credit Agreement for such Fiscal Year, Unrestricted Liquidity shall be not less than \$27,000,000 prior to a Permitted Ground Lease Transfer and after a Permitted Ground Lease Transfer, the ratio of Unrestricted Liquidity to Funded Debt then outstanding shall be not less than 0.75 to 1.00. As of the fiscal year of the Borrower ended on June 30, 20__, (i) Unrestricted Liquidity was \$_____; and (ii) the ratio of Unrestricted Liquidity to Funded Debt was __ to 1, each calculated as set forth on Schedule 2.

4. Capitalized terms used in this Covenant Compliance Certificate shall have the same meanings as those assigned to them in the Credit Agreement. The foregoing is true and correct as of _____, 20__.

Dated _____, _____.

Name: _____

Title: _____

Schedule 1

Cash Flow to Debt Service Ratio

1.	Cash Flow for the fiscal year ended on June 30, 20__	\$	_____
	(a) Change in Unrestricted Net Assets of the Borrower	\$	_____
	(b) Plus Depreciation	\$	_____
	(c) Plus Interest Expense	\$	_____
	(d) Plus Unrealized Losses	\$	_____
	(e) Plus net assets released from restriction and used in operations and/or debt service	\$	_____
	(f) Minus net assets release from restriction	\$	_____
	(g) Minus Unrealized Gains	\$	_____
	TOTAL (a+b+c+d+e-f-g)	\$	_____
2.	Debt Service	\$	_____
	(a) Interest Expense for the fiscal year ended on June 30, 20__	\$	_____
	(b) Plus principal payments for long-term Indebtedness for such fiscal year	\$	_____
	TOTAL (a+b)	\$	_____
3.	Cash Flow to Debt Service Ratio	=	_____ to 1.00
	<u>Cash Flow</u>		
	Debt Service		

Schedule 2¹

Unrestricted Liquidity

- | | | |
|----|--|---------------|
| 1. | Funded Debt as of _____ | \$ _____ |
| 2. | Unrestricted Liquidity as of _____ | \$ _____ |
| 3. | Ratio of Unrestricted Liquidity to Funded Debt | _____ to 1.00 |

¹ If the Borrower is relying on the cure provision provided in Section 5.2

EXHIBIT B

Financing Statement information

The Borrower further represents and warrants to the Lender as follows:

(a) The exact legal name of the Borrower is “Georgetown Preparatory School, Incorporated” and the state of organization of the Borrower is Maryland.

(b) The organizational identification number of the Borrower is D00108506.

(c) The Borrower's Federal tax identification number is 52-0591606.

(d) The Borrower's chief executive office is:

Street Address: 10900 Rockville Pike

City or Town: North Bethesda

State: Maryland 20852

(e) The Borrower in fact manages the main part of its business operations from that address; and it is at that address that persons dealing with the Borrower would normally look for credit information.

(f) The mailing address of the Borrower to be inserted on financing statements covering the Security is:

10900 Rockville Pike

North Bethesda, Maryland 20852

(g) In the five years preceding the date hereof, the Borrower has (i) not changed its name, identity, structure or state of incorporation, has not conducted business under any name other than its current name and has not conducted its business in any state other than the state in which its chief executive office is currently located.

(h) The following describes any and each place of business of the Borrower which is not otherwise identified above:

None

(i) The following describes any and each location of any books and records of the Borrower (other than records kept in off-site storage), which location is not otherwise identified above:

None

EXHIBIT C

Bond Redemption Payments

Date	Amount
12/01/2023	\$1,960,000
12/01/2024	2,000,000
12/01/2025	2,045,000
12/01/2026	2,090,000
12/01/2027	2,140,000
12/01/2028	2,185,000
12/01/2029	2,235,000
12/01/2030	2,285,000
12/01/2031	2,335,000
12/01/2032	2,385,000
12/01/2033	2,440,000
12/01/2034	2,495,000
12/01/2035	2,550,000
12/01/2036	2,605,000
12/01/2037	2,665,000
12/01/2038	2,725,000
12/01/2039	2,785,000
12/01/2040	2,845,000
12/01/2041	2,915,000
12/01/2042	2,980,000
12/01/2043	3,045,000
12/01/2044	3,110,000
12/01/2045	3,180,000
12/01/2046	3,250,000
12/01/2047	3,325,000
12/01/2048	3,400,000
12/01/2049	3,475,000
12/01/2050	3,550,000

EXHIBIT D

FORM OF REQUISITION

"Lender": STI Institutional & Government, Inc.
"Borrower": Georgetown Preparatory School, Incorporated
"Project": Georgetown Prep School
"Trustee": Truist Bank

DRAW REQUEST NUMBER: _____
LOAN #: _____
Date: _____, 20__

In accordance with the Lender Mode Credit Agreement (the "Agreement") between Borrower and Lender, dated as of December 1, 2020, Borrower authorizes and requests that:

[] \$_____ be advanced by Borrower from the Equity Account held at Chevy Chase Trust.
[] \$_____ be advanced by Trustee from the Bond Construction Fund held at Truist Bank. Advances should be deposited into the Borrower's Operating Account at Truist Bank where all project costs will be disbursed by Borrower.
The amount requested above is determined as follows:

1. Current payment due contractor (See AIA Document G 702 (attached hereto) for hard costs: \$ _____
2. Current payments due for non-construction soft costs: \$ _____
3. Total amount requested: \$ _____

Borrower does hereby certify, as of the date hereof: that all items for which previous certificates were issued and advances received have been paid; that all sums included in this advance will be, and all sums previously advanced under the Agreement have been used exclusively for items set forth in the Lender approved sources and uses of funds budget, including only payment for labor and materials incorporated into the construction of the Project and other approved expenses of the Project; that the warranties and representations of Borrower in the Agreement and the Loan Agreement are true and correct in all material respects; that there is no Default or Event of Default; that there are no offsets, counterclaims or defenses against the indebtedness which is the subject of the Operative Documents; that there are no liens of record against the Project or any portion thereof arising out of the supplying of labor, material and/or services in connection with the construction thereof; and that no party owns or claims, or has a right to claim, any interest in or lien or encumbrance on the Project, except for ad valorem taxes not due and payable and rights to liens to be dissolved upon payment of the disbursement hereby requested.

Borrower certifies the following indicated items are attached hereto and are true, correct and complete, and acknowledges request is incomplete without the following items, as applicable:

- ___ a. Draw Request in form required by the Agreement, signed by authorized representative of Borrower
- ___ b. Spread sheet detailing the specific budget line items from which funds are being requested
- ___ c. AIA G702 & G703s (or acceptable like form), signed by contractor (and architect, if applicable) supporting hard cost funds being requested, if any
- ___ d. Copies of any invoices and backup required by Lender for all soft cost funds being requested
- ___ e. Copy of the most recent account statement for the Equity Account

Wiring Instructions:

[_____]
[_____]
[_____]
[_____]

Georgetown Preparatory School , Incorporated

By: _____
Name: _____
Title: _____

Date: _____

Approved:

STI Institutional & Government, Inc.

By: _____
Name: _____
Title: _____

Date: _____