

TRUST INDENTURE

between

CITY OF LOS ANGELES,
as Issuer

and

[WELLS FARGO BANK, NATIONAL ASSOCIATION],
as Trustee

Dated as of [December 1, 2013]

Relating to:

[\$10,381,000]
City of Los Angeles
Multifamily Housing Revenue Bond
(Hazeltine & Wyandotte Apartments),
Series 2013K

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of [December 1, 2013] (as amended and modified from time to time, this "Indenture"), is entered into by **CITY OF LOS ANGELES**, a charter city and municipal corporation of the State of California duly organized and existing under its charter and the laws of the State of California (together with its successors and assigns, the "Issuer"), and [**WELLS FARGO BANK, NATIONAL ASSOCIATION**], a national banking association, as trustee (together with any successor trustee or co-trustee appointed hereunder, the "Trustee");

WITNESSETH:

WHEREAS, pursuant to Section 248 of the City Charter of the City of Los Angeles and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as amended (collectively, the "Law"); and in accordance with Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California (the "Act"), the Issuer is empowered to issue bonds to finance the acquisition, rehabilitation and development of multifamily rental housing for persons of low and moderate income; and

WHEREAS, the Issuer proposes to issue, pursuant to the Law and in accordance with the Act, its Multifamily Housing Revenue Bond (Hazeltine & Wyandotte Apartments) Series 2013K (the "Bond") pursuant to this Indenture; and

WHEREAS, pursuant to a Loan Agreement dated as of [December 1, 2013] (as the same may be amended, modified, restated or supplemented from time to time in accordance with its terms and the terms hereof, the "Loan Agreement") between the Issuer and Hazeltine & Wyandotte, LP, a limited partnership duly organized and existing under the laws of the State of California (together with its permitted successors and assigns, the "Borrower"), the Issuer has agreed to lend the proceeds of the Bond to the Borrower and the Borrower has agreed to (x) apply the proceeds of the Loan to pay a portion of the costs of acquisition, construction, rehabilitation and equipping of the Project, (y) make payments sufficient to pay the principal of, premium, if any, and interest on the Bond when due (whether at maturity, by redemption, acceleration or otherwise), and (z) observe the other covenants and agreements and make the other payments set forth therein; and

WHEREAS, the Borrower has delivered to the Issuer its promissory note dated as of [] 2013 in an original principal amount equal to the original aggregate principal amount of the Bond (as the same may be amended, supplemented, replaced or modified from time to time, the "Note"). The Note evidences the Borrower's obligation to repay the Loan and the Issuer has made the Loan to the Borrower, subject to the terms and conditions of the Loan Agreement and this Indenture; and

WHEREAS, the obligations of the Borrower under the Loan Agreement and the Note will be secured by, among other things, the Collateral Payments;

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and agreements herein contained, and other good and valuable consideration, the

receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

GRANTING CLAUSES

The Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bond by the Owner thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure the payment of the principal of, redemption premium, if any, and interest on the Bond according to their tenor and effect, and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bond contained, does hereby transfer, pledge and assign, without recourse, to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in and to all and singular the property described in paragraphs (a), (b), (c) and (d) below (said property being herein referred to as the "Trust Estate"), to wit;

(a) All right, title and interest of the Issuer in, to and under the Loan Agreement (except the Unassigned Issuer's Rights) and the Note, including, without limitation, all rents, revenues and receipts derived by the Issuer from the Borrower relating to the Project and including, without limitation, the Initial Deposit, all Pledged Revenues, Loan Payments and Additional Payments derived by the Issuer under and pursuant to, and subject to the provisions of, the Loan Agreement (except the Unassigned Issuer's Rights); provided that the pledge and assignment made under this Indenture shall not impair or diminish the obligations of the Issuer under the provisions of the Loan Agreement.

(b) All right, title and interest of the Issuer in, to and under, together with all rights, remedies, privileges and options pertaining to, the Bond Documents, and all other payments, revenues and receipts derived by the Issuer under and pursuant to, and subject to the provisions of, the Bond Documents, except for the Unassigned Issuer's Rights.

(c) All moneys and investments from time to time on deposit in, or forming a part of, all funds and accounts created and held by the Trustee under this Indenture (but excluding the Expense Fund and the Rebate Fund), subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

(d) Any and all other real or personal property of every kind and nature or description, which may from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Indenture as additional security by the Issuer or anyone on its part or with its consent, or which pursuant to any of the provisions hereof or of the Loan Agreement may come into the possession or control of the Trustee or a receiver appointed pursuant to this Indenture; and the Trustee is hereby authorized to receive any and all such property as and for additional security for the Bond and to hold and apply all such property subject to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the Trust Estate with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of the present and future Owner of the Outstanding Bond;

PROVIDED, HOWEVER, that if the Issuer shall well and truly pay or cause to be paid the principal of and premium, if any, on the Bond with interest, according to the provisions set forth in the Bond, or shall provide for the payment or redemption of the Bond by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions of Article XII (it being understood that any payment with respect to the principal of or interest on the Bond made by the Borrower shall not be deemed payment or provision for the payment of the principal of or interest on the Bond, except a Bond purchased and canceled by the Trustee, such uncanceled Bond to remain Outstanding and the principal of and interest thereon payable to the Owner thereof), and shall also pay or cause to be paid all other sums payable hereunder by the Issuer, then these presents and the estate and rights hereby granted shall cease, terminate and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Issuer and upon the payment by the Issuer of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Issuer such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Issuer all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefore, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force;

THIS INDENTURE FURTHER WITNESSETH, and it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that the Bond issued and secured hereunder is to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant with the Trustee, for the benefit of the respective Owner from time to time of the Bond as follows:

ARTICLE I

DEFINITIONS; PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise clearly requires:

(a) Capitalized terms not otherwise defined herein have the meanings ascribed thereto in this Article I.

(b) The terms “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision. The terms “agree” and “agreements” contained herein are intended to include and mean “covenant” and “covenants.”

(c) 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. Singular terms shall include the plural as well as the singular, and vice versa.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with the Approved Accounting Method. All references herein to “Approved Accounting Method” refer to such principles as they exist at the date of application thereof.

(e) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) Whenever the term “includes” or “including” is used in this Indenture, such terms mean “includes or including by way of example and not limitation.”

(h) The following terms have the meanings set forth below:

“*Act*” means Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the Health and Safety Code of the State of California as in effect on the Closing Date.

“*Act of Bankruptcy*” means the filing of a petition in bankruptcy (or any other commencement of a bankruptcy or similar proceeding) by or against the Borrower, the General Partner or any Guarantor under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect; provided that, in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after the commencement thereof.

“*Actual Debt Service*” means, for the applicable period, all scheduled payments due pursuant to the Note.

“*Additional Payments*” means the Third Party Fees and other payments payable pursuant to Sections 2.06 and 4.13 of the Loan Agreement.

“*Affiliate*” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person.

“*Approved Accounting Method*” means generally accepted accounting principles applicable to entities organized as the Borrower in the United States of America as of the date of

the applicable financial report, or such other modified accrual or cash basis system of accounting approved by the Bondholder Representative.

“*Authorized Amount*” means \$[10,381,000], the aggregate principal amount of Bond authorized to be issued under this Indenture.

“*Authorized Attesting Officer*” means the City Treasurer or Interim City Treasurer of the Issuer, or such other officer or official of the Issuer who, in accordance with the laws of the State, the bylaws or other governing documents of the Issuer, or practice or custom, regularly attests or certifies official acts and records of the Issuer, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“*Authorized Borrower Representative*” means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer, the Bondholder Representative and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by its General Partner, which certificate may designate one or more alternates.

“*Authorized Denomination*” means, the entire outstanding principal amount of the Bond.

“*Authorized Issuer Representative*” means, the Mayor, the General Manager, any Interim General Manager, Assistant General Manager or Interim Assistant General Manager, Executive Officer or the Director—Major Projects Division of the Los Angeles Housing Department, and any other officer or employee of the Issuer designated to perform a specified act, to sign a specified document or to act generally, on behalf of the Issuer by a written certificate furnished to the Trustee, which certificate is signed by the Mayor, the General Manager, any Interim General Manager, any Assistant General Manager or Interim Assistant General Manager, Executive Officer or the Director—Major Projects Division of the Los Angeles Housing Department and contains the specimen signature of such other officer or employee of the Issuer.

“*Bankruptcy Code*” means the United States Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation.

“*Bankruptcy Proceeding*” has the meaning set forth in Section 3.01 of the Loan Agreement.

“*Base Rate*” shall mean for each Business Day the higher of (i) the sum of the Federal Funds Open Rate plus one hundred (100) basis points (1.00%) and (ii) the Prime Rate.

“*Bond*” has the meaning set forth in the Recitals to this Indenture.

“*Bond Counsel*” means (i) Kutak Rock LLP, or (ii) any attorney at law or other firm of attorneys selected by the Issuer, of nationally recognized standing in matters pertaining to the federal tax status of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Borrower.

“*Bond Documents*” means (a) this Indenture, (b) the Bond, (c) the Regulatory Agreement, (d) the Tax Certificate, (e) UCC financing statements, (f) the Loan Agreement, (g) all other documents evidencing, securing, governing or otherwise pertaining to the Bond or any other Bond Document including, without limitation, each related Opinion of Counsel, (h) the Loan Documents, (i) the Funding Agreement, (j) the Purchase Contract, and (k) all amendments, modifications, renewals and substitutions of any of the foregoing.

“*Bond Fund*” means the Bond Fund created pursuant to Section 6.02.

“*Bondholder Representative*” means the Bond Purchaser or any other Person or Persons who are designated by the registered Owner of the Bond to act on behalf of the Bondholder as provided in Section 13.05.

“*Bondholder*,” “*Holder*,” “*Owner*” or “*Registered Owner*” means the Person in whose name the Bond is registered in the Bond Register.

“*Bond Obligations*” means the obligation of the Issuer to pay the principal, interest and premium, if any, on the Bond as required by and set forth in the Indenture but only from the sources hereinafter identified.

“*Bond Purchaser*” means PNC Bank, National Association, a national bank association, organized and existing under and by virtue of the laws of the United States of America, and its successors and assigns.

“*Bond Register*” means the register maintained by the Trustee pursuant to Section 3.04 on behalf of the Issuer for the registration and transfer of the Bond.

“*Borrower*” has the meaning set forth in the Recitals to this Indenture.

“*Borrower Controlling Entity*” means, if the Borrower is a partnership, any general partner or managing partner of the Borrower, or if the Borrower is a limited liability company, the managing member of the Borrower, or if the Borrower is a corporation, the shareholders thereof.

“*Borrower Debt*” means the unpaid principal of and premium, if any, and interest on the Note and other amounts payable by the Borrower under the Note and Sections 2.05, 2.06 and 2.11 of the Loan Agreement.

“*Borrower Payment Obligations*” means all payment obligations of the Borrower under the Note, the Loan Agreement, the other Loan Documents and each of the Bond Documents, including, but not limited to, the Loan Payments and the Additional Payments.

“*Business Day*” means any day other than a Saturday or Sunday or a legal holiday on which on which the offices of the Trustee are open to the public for carrying on substantially all of Trustee’s business functions.

“*Capital Expenses*” means expenses that are required to be capitalized under the Approved Accounting Method.

“*Capitalized Interest Account*” means the Capitalized Interest Account created pursuant to Section 6.02.

“*Certificate of Authentication*” means the Certificate of Authentication attached to each Bond.

“*Certificate of Completion*” means the certificate delivered by the Borrower, which contains a certification that the “95% Requirement” referred to in Section 6.07(a) has been satisfied.

“*Certificate of the Bondholder Representative*” means each and every certificate executed or required to be executed by the Bondholder Representative.

“*Closing Date*” means [_____], 2013, the date of original issuance and delivery of the Bond.

“*Code*” means the Internal Revenue Code of 1986, as amended, and with respect to a specific section thereof, such reference shall be deemed to include (a) the regulations promulgated by the United States Department of the Treasury under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“*Collateral Fund*” means the Collateral Fund created in Section 6.02 hereof.

“*Collateral Payments*” means the amounts, consisting of either (a) proceeds from the sale of GNMA Certificates or (b) FHA-insured Mortgage Loan advances made by or on behalf of the Lender, required to be paid by the Lender for the benefit of the Borrower in respect to the repayment of the Loan, to the Trustee for deposit into the Collateral Fund pursuant to Section 2.08 of the Loan Agreement and the Funding Agreement and Section 6.07 hereof as a prerequisite to the advance of money in the Project Fund.

“*Control*” means, with respect to any Person, either (i) ownership directly or through other entities of more than 50% of all beneficial equity interest in such Person, or (ii) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, by contract or otherwise.

“*Controlling HUD and GNMA Requirements*” means the National Housing Act and any applicable HUD or GNMA regulations, and related HUD or GNMA administrative requirements and prohibitions.

“*Costs of Issuance*” means the Issuer’s issuance fee and the fees, costs, expenses and other charges incurred in connection with the issuance of the Bond, the negotiation and preparation of the Indenture and each of the other Bond Documents and shall include, but shall not be limited to, the following: (a) counsel fees (including but not limited to Bond Counsel, Issuer’s counsel, Trustee’s counsel, Borrower’s counsel, Bondholder Representative’s counsel and Bond Purchaser’s counsel); (b) financial advisor fees incurred in connection with the issuance of the Bond; (c) initial Trustee acceptance and set-up fees and expenses (including fees

of the counsel to the Trustee) incurred in connection with the issuance of the Bond; (d) printing costs (for the Bond and of any preliminary and final offering materials); (e) any recording fees; (f) any additional fees charged by the Issuer; and (g) costs incurred in connection with the required public notices generally and costs of the public hearing.

“*Costs of Issuance Deposit*” means the amount of \$[_____].

“*Costs of Issuance Fund*” means the Costs of Issuance Fund created pursuant to Section 6.02.

“*Daily LIBOR Rate*” shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) determined by Bondholder Representative by dividing (x) the Published Rate by (y) a number equal to 1.00 *minus* the LIBOR Reserve Percentage.

“*Default*” means the occurrence of an event, which, under any Bond Document, would, but for the giving of notice or passage of time, or both, be an Event of Default or Loan Agreement Default.

“*Default Rate*” means a rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the default rate set forth in the Note, in each case compounded monthly (computed on the basis of a 360-day year and actual days elapsed).

“*Determination of Taxability*” means (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a private ruling or Technical Advice Memorandum issued by the National Office of the Internal Revenue Service, (iii) a determination by any court of competent jurisdiction, or (iv) receipt by the Trustee, at the request of the Bondholder Representative, of an opinion of Bond Counsel, in any such case to the effect that the interest on the Bond is includable in gross income for federal income tax purposes of the Bondholders or any former Bondholder, other than a Bondholder who is, or a former Bondholder who was, a “substantial user” (as such term is defined in Section 147(a) of the Code) of the Project or a Related Person; provided that no such Determination of Taxability under clause (i), (ii) or (iii) shall be deemed to have occurred (a) unless the Borrower has been afforded the opportunity to participate in contesting such determination, and (b) if the Borrower has elected to participate in contesting such determination in good faith and if the Borrower is proceeding with all applicable dispatch to prosecute such contest until the earlier of (A) a final determination from which no appeal may be taken with respect to such determination, or (B) abandonment of such appeal by the Borrower.

“*Disclosure Agreement*” means any continuing disclosure agreement with respect to the Bond as may be executed by the Borrower and the Trustee, as amended, modified, supplemented or restated from time to time.

“*Dissemination Agent*” has the meaning set forth in the Disclosure Agreement.

“*Eligible Funds*” means, as of any date of determination, any of:

- (a) the proceeds of the Bond;

(b) money received by the Trustee from the FHA Lender as Collateral Payments;

(c) any other amounts, including the proceeds of refunding bonds, for which, in each case, (i) the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or beneficial owner of the Bond is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bond would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to the Holder would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code and (ii) the Trustee has received written confirmation from the Rating Agency that the use of such money would not result in a reduction or withdrawal of the then existing rating on the Bond;

(d) the proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;

(e) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and

(f) investment income derived from the investment of the money described in (a) through (e) above.

“ERISA” means the Employment Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means all members of a controlled group of corporations and all trades and business (whether or not incorporated) under common control and all other entities which, together with the Borrower, are treated as a single employer under any or all of Section 414(b), (c), (m) or (o) of the Code.

“Event of Default” has the meaning set forth in Section 9.01.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Expense Fund” means the Expense Fund created pursuant to Section 6.02.

“Extended Maturity Date” shall mean [February 1], 2016.

“Extension Fee” shall mean one quarter of one percent (0.25%) of the face amount of the Bond payable to the Bondholder Representative by the Borrower in connection with a request of an extension of the Maturity Date to the Extended Maturity Date.

“Extension Conditions” has the meaning set forth in Section 2.18 of the Loan Agreement.

“*Fair Market Value*” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide, arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is any commingled investment fund in which the Issuer and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the Regulations, the term “investment” will include a “hedge.”

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the taking of which requires such an opinion, an unqualified Opinion of Counsel from Bond Counsel to the effect that such action will not impair the exclusion of interest on the Bond from gross income for purposes of federal income taxation (subject to the inclusion of such customary exceptions as are acceptable to the recipient thereof).

“*Federal Funds Open Rate*” shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption “OPEN” (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Bondholder Representative (an “Alternate Source”) (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Bondholder Representative at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the “open” rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Issuer, the Borrower or the Trustee.

“*FHA*” means the Federal Housing Administration.

“*FHA Insured Mortgage Loan*” means that mortgage loan in the original principal amount of [\$ _____] to be advanced by the FHA Lender to the Borrower and insured by the Federal Housing Administration under Section 223f of the National Housing Act of 1937, as amended.

“*FHA Lender*” means PNC Capital as lender on the FHA Insured Mortgage Loan.

“*Funding Agreement*” means the Funding Agreement dated as of _____, 2013, by and among the Borrower, the FHA Lender and the Trustee, as amended, supplemented or restated from time to time, relating to the funding of FHA Insured Mortgage Loan advances with the proceeds of the Bond in exchange for Collateral Payments.

“*General Partner*” means, collectively, Insite H&W, LLC, a California limited liability company, as administrative general partner and Housing Corporation of America, a Utah nonprofit corporation as managing general partner, as general partners of the Borrower, together with their permitted successors and assigns.

“*GNMA*” means the Government National Mortgage Association.

“*GNMA Certificate*” means a mortgage backed security issued by the FHA Lender, guaranteed as to timely payment of principal and interest by GNMA pursuant to the National Housing Act and the regulations thereunder, and issued with respect to and backed by the FHA Insured Mortgage Loan.

“*GNMA Documents*” means any GNMA Certificate, the commitment issued by GNMA to the FHA Lender to guarantee the GNMA Certificate and all other documents, certifications and assurances executed and delivered by the FHA Lender, GNMA or the Borrower in connection with the GNMA Certificate.

“*Governmental Authority*” means any court, board, agency, commission, office or authority of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) now or hereafter in existence.

“*Government Obligations*” means noncallable, nonprepayable (a) direct, general obligations of the United States of America, or (b) any obligations unconditionally guaranteed as to the full and timely payment of all amounts due thereunder by the full faith and credit of the United States of America (including obligations held in book-entry form), but specifically excluding any mutual funds or unit investment trusts invested in such obligations.

“*Gross Proceeds*” means the aggregate of:

- (a) the net amount (after payment of all expenses of issuing the Bond) of Bond proceeds received by the Issuer as a result of the sale of the Bond;
- (b) all amounts received by the Issuer as a result of the investment of the Bond proceeds;
- (c) any amounts held in any fund to the extent that the Issuer reasonably expects to use the amounts in such fund to pay any Bond Obligations; and
- (d) any securities or obligations pledged by the Issuer or by the Borrower as security for the payment of any Bond Obligation.

“*HUD*” means, the U.S. Department of Housing and Urban Development.

“*HUD Regulatory Agreement*” means that Regulatory Agreement between HUD and the Borrower executed and delivered in connection with the FHA Insured Mortgage Loan which encumbers the Land.

“*Improvements*” means the multifamily housing development to be constructed and/or rehabilitated on the Land.

“*Indemnified Party*” has the meaning set forth in Section 4.14 of the Loan Agreement.

“*Indenture*” means this Indenture, as from time to time supplemented, modified, restated or amended by one or more Supplemental Indentures.

“*Independent,*” when used with respect to any person, means a person who (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in the Issuer, the Borrower, the Trustee, the Bondholder, the Manager or any other Person participating in the Bond financing (a “Financing Participant”) or in any obligor with respect to the Bond or in any Affiliate of any Financing Participant or of any such obligor, and (c) is not connected with any Financing Participant or any such obligor as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

“*Initial Deposit*” means \$[_____], the amount the Borrower is required to deposit with the Trustee pursuant to Section 2.07 of the Loan Agreement.

“*Interest Payment Date*” means the first calendar day of each month, commencing [_____] 1, 2013], and ceasing on the Maturity Date (unless such Maturity Date has been extended to the Extended Maturity Date by the Borrower pursuant to Section 2.18 of the Loan Agreement in which case the Interest Payment Date shall cease on the Extended Maturity Date). In any case where any Interest Payment Date is not a Business Day, then payment need not be made on such date, but shall be made on the next succeeding Business Day.

“*Investment Agreement*” means any investment agreement between the Trustee and the provider thereof approved by the Bondholder Representative and the Borrower.

“*Investment Limited Partner*” or “*Limited Partner*” means PNC Bank, National Association, in its capacity as the investment limited partner of the Borrower, and its permitted successors and assigns.

“*Investor Letter*” means the Investor Letter in the form set forth in Exhibit E hereto.

“*Issuer’s Fee*” means the initial and ongoing fee described in Section 7(n) of the Regulatory Agreement.

“*Land*” means collectively the two parcels of real property located in Los Angeles, California, on which the Improvements are located, having street addresses of 7250 Hazeltine Avenue and 14630 Wyandotte Street, Los Angeles, California, as more particularly described in Exhibit A of each Regulatory Agreement.

“*Late Charge*” means the amount due and payable as a late charge on overdue payments under the Note, as provided in the Note and Section 2.08 of the Loan Agreement.

“*Law*” means Section 248 of the City Charter of the Issuer and Article 6.3 of Chapter 1 of Division 11 of the Los Angeles Administrative Code, as supplemented and amended to the Closing Date.

“*Legal Requirements*” means statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting all or part of the Project or any property or the construction, use, alteration or operation thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instrument, either of record or known to the Borrower, at any time in force affecting all or part of the Project, including any that may (i) require repairs, modifications or alterations in or to all or part of the Project, or (ii) in any way limit the use and enjoyment thereof.

“*Liabilities*” has the meaning set forth in Section 4.14 of the Loan Agreement.

“*LIBOR Reserve Percentage*” shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to Eurocurrency funding (currently referred to as “Eurocurrency Liabilities”).

“*Licenses*” has the meaning set forth in Section 3.01(v) of the Loan Agreement.

“*Lien*” means any interest, or claim thereof, in the Project securing an obligation owed to, or a claim by, any Person other than the owner of the Project, whether such interest is based on common law, statute or contract, including the lien or security interest arising from a deed of trust, mortgage, assignment, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” shall include reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting the Project.

“*Limited Partner*” or “*Investment Limited Partner*” means [PNC Bank, National Association,] in its capacity as the investment limited partner of the Borrower, and its permitted successors and assigns.

“*Loan*” means the loan made by the Issuer to the Borrower pursuant to the Loan Agreement in the aggregate principal amount of the Authorized Amount, as evidenced by the Note.

“*Loan Agreement*” has the meaning set forth in the Recitals to this Indenture.

“*Loan Agreement Default*” means any event of default set forth in Section 7.01 of the Loan Agreement. A Loan Agreement Default shall “exist” if a Loan Agreement Default has occurred and is continuing beyond any applicable cure period.

“*Loan Documents*” means the Loan Agreement, the Note, the Regulatory Agreement, the Funding Agreement, the Purchase Contract, each related Opinion of Counsel and all other documents or agreements evidencing or relating to the Loan.

“*Loan Payment*” means the monthly loan payment payable pursuant to the Note, which payment includes an amount necessary to fund 1/12 of the annual amount of Third Party Fees.

“*Loan Payment Date*” means the first day of each month, commencing [____ 1, 2013], or any other date on which either Note is prepaid or paid, whether at the scheduled maturity or upon the redemption or acceleration of the maturity thereof.

“*Management Agreement*” means that property management agreement between the Borrower and the Manager as it may be amended or superseded from time to time.

“*Manager*” mean any management company employed by the Borrower and approved by the Bondholder Representative in accordance with the provisions of the Bond Documents.

“*Maturity Date*” means [December 1], 2015.

“*Maximum Rate*” means the lesser of: twelve percent (12%); or (ii) the maximum interest rate that may be paid on the Bond under State law.

“*Moody's*” means Moody's Investors Service, Inc., or its successor.

“*National Housing Act*” means the National Housing Act of 1937, as amended, and the applicable regulations thereunder.

“*Nonpurpose Investment*” means any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds and any replacement proceeds of the Bond and which is not acquired to carry out the governmental purpose of the Bond.

“*Note Maturity Date*” means the maturity date of the Note as set forth therein as such date may be extended in accordance with the terms of the Note.

“*Note Rate*” means the annual interest rate from time to time as set forth in the Note, including, at any time while a Loan Agreement Default exists, the Default Rate as provided in the Note.

“*Note*” has the meaning set forth in the Recitals to this Indenture.

“*Office of the Trustee*” means the office of the Trustee at the address set forth in Section 13.01, or at such other place or places as may be designated by the Trustee from time to time.

“*Official Body*” shall mean any national, federal, state, local or other government or political subdivision or any agency, authority, bureau, central bank, commission, department or instrumentality of either, or any court, tribunal, grand jury or arbitrator, in each case whether foreign or domestic.

“*Opinion of Counsel*” means a written opinion from an attorney or firm of attorneys, acceptable to the Issuer, the Trustee and the Bondholder Representative, with experience in the matters to be covered in the opinion.

“*Other Charges*” means all maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Project, now or hereafter levied or assessed or imposed against the Project or any part thereof.

“*Outstanding*” or “*Outstanding Bond*” means the principal amount of the Bond paid by the Bondholder Representative to the Trustee hereunder, except:

(a) any portion of the Bond theretofore canceled or required to be canceled by the Trustee or delivered to the Trustee for cancellation;

(b) any portion of the Bond which is deemed to have been paid in accordance with this Indenture;

(c) any portion of the Bond in exchange for or in lieu of which another Bond has been authenticated and delivered pursuant to this Indenture; and

(d) any portion of the Bond not tendered when required under the provisions of this Indenture that are deemed tendered.

“*Partnership Agreement*” means the partnership agreement of the Borrower.

“*Permitted Investments*” means any of the following if and to the extent permitted by law:

(a) Government Obligations;

(b) Interest-bearing time or demand deposits, certificates of deposit, prime commercial paper, investment agreements or other similar banking arrangements with any bank, trust company, national banking association or other savings institution (including the Trustee or its Affiliates) (each, a “*Depository*”) provided that, at the time of purchase, (i) such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation, the proceeds of which insurance are timely available, or (ii) the senior debt of such Depository is rated in one of the two highest letter rating categories of Standard & Poor’s or Moody’s, or (iii) such Depository has combined capital and surplus of at least \$5,000,000 and such deposits, certificates and other arrangements (to the extent not insured as described in clause (i) above) are fully secured by obligations described in clause (a) or (c) of this definition in an amount, as valued against market at least monthly, at least equal to 100% of the sum of the outstanding balance of such deposits, certificates and other arrangements;

(c) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following: Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Banks; Federal Farm Credit Banks; Export-Import Bank of

the United States; Federal Land Banks; Government National Mortgage Association; Federal Financing Bank; or Small Business Administration; or any other agency or instrumentality of the United States of America (created by an Act of Congress) substantially similar to the foregoing in its legal relationship to the United States of America;

(d) Full faith and credit obligations of any state of the United States of America;

(e) Contracts for the purchase and sale of obligations described in clause (a) of this definition, provided that if the Persons with which such contracts are made are not members of the Federal Reserve System or if such Persons (including members of the Federal Reserve System) are not required to set aside and otherwise identify, to the satisfaction of the Trustee, obligations described in clauses (a), (b) or (c) above to such contracts as security or reserve therefor in an amount, as valued against market at least monthly, at all times (other than within thirty days after each valuation) at least equal to 100% of the sum of the face amount of each such contract, such obligations shall be delivered to and held by a Depository during the term of such contracts;

(f) Interest-bearing notes issued by a bank, trust company, national banking association or other depository institution or by a bank holding company, an insurance company or other financial institution, the senior debt of which is rated in the two highest letter rating categories of Standard & Poor's or Moody's at the time of purchase;

(g) Shares of money market funds which invest solely in Investment Securities listed in one or more of (a), (b), (c) or (e) above, including funds operated or managed by the Trustee or any of its Affiliates;

(h) Bonds, notes or other securities the interest on which is excludable from gross income for purposes of federal income taxation under Section 103 of the Code that are rated by either Moody's or Standard & Poor's in one of the three highest whole rating categories established by such rating service; or interests in funds which invest solely in such bonds, notes or other securities;

(i) An Investment Agreement; and

(j) Any other investments approved in writing by the Bondholder Representative.

"*Person*" or "*person*" means any individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"*Plan*" means (i) an employee benefit or other plan established or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions and (ii) which is covered by Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

"Pledged Revenues" means the amounts pledged under this Indenture to the payment of the principal of and premium and interest on the Bond, consisting of the following: (a) the Collateral Payments, (b) all other income, revenues, proceeds and other amounts to which the Issuer is entitled and which are held by the Trustee, derived from or in connection with the Project and the Bond Documents, including all Loan Payments due under the Loan Agreement and the Note, all amounts obtained through the exercise of the remedies provided in the Bond Documents, subject to such rights contained in the Bond Documents upon the occurrence of an Event of Default thereunder, and all receipts of the Trustee credited under the provisions of this Indenture against said amounts payable, and (c) moneys held in the funds and accounts established under this Indenture, together with investment earnings thereon (except any amounts on deposit in the Expense Fund and the Rebate Fund).

"Prepayment Premium" means (i) any premium payable by the Borrower pursuant to the Loan Documents in connection with a prepayment of the Note (including any prepayment premium as set forth in the Note) and (ii) any premium payable by the Issuer on the Bond pursuant to this Indenture. With respect to the calculation of the amount of Prepayment Premium due in connection with the redemption or acceleration of the Bond, the Trustee may request and rely on a certificate of the Bondholder Representative.

"Prime Rate" shall mean a rate of interest equal to the rate per annum (based on a year of 360 days and actual days elapsed) announced from time to time by PNC Bank, National Association at its principal office in Pittsburgh, Pennsylvania as its "prime rate", such rate to change automatically from time to time effective as of the effective date of each change in said Prime Rate. The Issuer and the Borrower acknowledge that the Prime Rate is not necessarily the lowest interest rate charged by PNC Bank, National Association and that the term does not imply or indicate that the interest rate designated from time to time by PNC Bank, National Association as its Prime Rate is equal to or lower than that applicable to any other credit extended by PNC Bank, National Association.

"Project" means the Land and Improvements thereon owned by the Borrower.

"Project Costs" means Qualified Project Costs and any other direct costs required to be expended by the Borrower to complete the acquisition and construction of the Project and to comply with the terms of the Bond Documents, including the reasonable cost of labor and materials actually expended or incurred by the Borrower and incorporated in the Project, and the cost of furnishings, fixtures and equipment. Project Costs may also include certain indirect costs, included in the budget or otherwise approved by Bondholder Representative, which may include the cost of permits, appraisals, soil testing, surveys and other professional fees and costs, tax credit application fees, construction fees, taxes, insurance, marketing costs, interest, financing and bonding fees, and an operating reserve.

"Published Rate" shall mean the rate of interest published each Business Day in the Wall Street Journal "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the Eurodollar rate for a one month period as published in another publication selected by Bondholder Representative).

“*Purchase Contract*” means the Purchase Contract, dated _____, 2013, among the Bond Purchaser, the Issuer and the Borrower.

“*Qualified Project Costs*” means any expenditure (a) to provide facilities and improvements that constitute part of a qualified residential rental project within the meaning of Section 142(d) of the Code and (b) that is properly chargeable to the Project’s capital account under general federal income tax principles or that would be so chargeable with a proper election or but for a proper election by the Borrower to deduct such expenditure, including the following:

- (i) The cost of acquiring the Project;
- (ii) The cost of labor, materials, machinery and equipment as payable to contractors, builders and materialmen in connection with the rehabilitation of the Project;
- (iii) Expenses necessary or incident to determining the feasibility or practicability of undertaking the Project, the fees and expenses of architects, engineers and management consultants for making studies, surveys and estimates of costs and of revenues and other estimates, and fees and expenses of architects and engineers for preparation of plans, drawings and specifications and for administration of the rehabilitation contract or contracts for the Project, as well as for the performance of all other duties of architects and engineers in relation to the acquisition, rehabilitation and equipping of the Project;
- (iv) Expenses of administration, supervision and inspection properly chargeable to the Project, costs of development of the Project, legal expenses and fees of the Borrower in connection with the acquisition, rehabilitation or equipping of the Project (but not the issuance of the Bond or costs associated with the Loan Documents), cost of abstracts and reports on title to real estate, owners title insurance premiums, cost of managing investments of moneys deposited in the funds created under the Bond Documents and all other items of expense;
- (v) Interest on the Note during the acquisition, construction and rehabilitation of the Project; and
- (vi) Reimbursement to the Borrower for any costs described above and paid by the Borrower, whether before or after the Closing Date; provided, however, that reimbursement for any expenditures made prior to the Closing Date shall only be permitted for expenditures meeting the requirements of applicable Treasury Regulations, including Treasury Regulations Section 1.150-2 or any successor Treasury Regulations.

“*Rating Agency*” means any one and each of Standard & Poor’s, Moody’s and Fitch, Inc. then rating the Bond or any other nationally-recognized statistical rating agency then rating the Bond, which has been designated by the Issuer.

“*Rebate Amount*” means, for any given period, the amount determined by the Rebate Analyst to be rebated or paid as a yield reduction payment to the United States of America with respect to the Bond.

“*Rebate Analyst*” means (i) Kutak Rock LLP, or (ii) any certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code, selected by and at the expense of the Borrower, with the prior written consent of the Issuer, to make the computations required under this Indenture and the Loan Agreement.

“*Rebate Analyst’s Fee*” means the annual fee of the Rebate Analyst. The Rebate Analyst’s Fee is payable by the Trustee to the Rebate Analyst from the Expense Fund.

“*Rebate Fund*” means the Rebate Fund created pursuant to Section 6.02.

“*Record Date*” means the day immediately prior to any Interest Payment Date.

“*Redemption Price*” means the sum of (a) the Outstanding principal amount of the Bond to be redeemed, (b) accrued and unpaid interest on the Bond to be redeemed to the date of redemption and (c) the Prepayment Premium, if any.

“*Registered Holder*” means the Person in whose name the Bond is registered in the Bond Register.

“*Registered Owner*” has the meaning set forth in the definition of “Bondholder.”

“*Regulations*” means with respect to the Code, the relevant regulations and proposed regulations thereunder or any relevant successor provision to such regulations and proposed regulations.

“*Regulatory Agreement*” means Regulatory Agreement and Declaration of Restrictive Covenants, dated as of even date with this Indenture, among the Issuer, the Trustee and the Borrower, as amended, modified, supplemented or restated from time to time.

“*Related Person*” means a “related person” within the meaning of Section 147(a) of the Code.

“*Resolution*” means the resolution of the City Council of the Issuer authorizing the issuance of the Bond and the execution and delivery of the Bond Documents to which the Issuer is a party.

“*Responsible Officer*” means any officer within the Corporate Trust Department (or any successor group) of the Trustee, including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, who is responsible for the administration of this Indenture.

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Senior Mortgage*” is defined in Section 10.05 of the Loan Agreement.

“*Sophisticated Investor*” means a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, or an institutional “accredited investor” as defined in Rule 501 promulgated under the Securities Act of 1933, as amended.

“*Special Limited Partner*” means Columbia Housing SLP Corporation, an Oregon corporation, its permitted successors and assigns.

“*Standard & Poor’s*” means Standard & Poor’s Ratings Services, a Division of the McGraw Hill Companies, Inc., or its successor.

“*State*” means the State of California.

“*Supplemental Indenture*” means a Supplemental Indenture entered into in accordance with and for the purposes set forth in Article XI.

“*Surplus Cash*” has the meaning specified in the HUD Regulatory Agreement.

“*Tax Certificate*” means Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated the Closing Date executed and delivered by the Issuer and the Borrower on the Closing Date.

“*Taxes*” means all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against all or part of the Project.

“*Third Party Fees*” means the Issuer’s Fee, the Trustee’s Fee, the Servicer’s Fee and the Rebate Analyst’s Fee **[ANY OTHERS?]**.

“*Trustee’s Fee*” means the annual fee of the Trustee in the amount of **[\$[AMOUNT]]** payable each _____ 1 commencing _____ 1, 2014.

“*Trust Estate*” has the meaning set forth in the Granting Clauses of this Indenture.

“*UCC*” means the Uniform Commercial Code as in effect in the State.

“*Unassigned Issuer’s Rights*” means those certain rights of the Issuer, its officers, council members, other elected officials, attorneys, accountants, employees, agents and consultants under the Loan Documents to indemnification and to payment or reimbursement of fees and expenses of the Issuer, including the Issuer’s Fee, as well as the fees and expenses of counsel and indemnity payments, its right to give and receive notices and to enforce notice and reporting requirements and restrictions on transfer of ownership, its right to inspect and audit the books, records and premises of the Borrower and of the Project, its right to collect attorney’s fees and related expenses, its right to specifically enforce the Borrower’s covenant to comply with applicable federal tax law and State law (including the Act, the Law and the rules and regulations of the Issuer), its rights to give or withhold consent to amendments, changes, modifications and alterations to the Loan Documents as specifically set forth herein and therein, and to the extent not included above, the rights specifically reserved by the Issuer under this Indenture and the Regulatory Agreement.

“*Variable Rate*” shall mean the sum of the Daily LIBOR Rate plus two hundred twenty five (225) basis points (2.25%) so long as a Daily LIBOR Rate is offered, ascertainable and not unlawful. In the event Daily LIBOR Rate is no longer offered, ascertainable or unlawful, the “*Variable Rate*” shall mean the Base Rate. If and when the Variable Rate (or any component thereof) changes, the rate of interest with respect to any amounts hereunder to which the Variable Rate applies will change automatically without notice to Borrower, effective on the date of any such change. If at any time Bondholder Representative determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the Eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the Eurodollar, or adequate means do not exist for ascertaining the Daily LIBOR Rate, then Bondholder Representative shall give notice thereof to Borrower. Thereafter, until Bondholder Representative notifies Borrower that the circumstances giving rise to such suspension no longer exist, the availability of the Variable Rate based on the Daily LIBOR Rate shall be suspended. In addition, if at any time Bondholder Representative shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by an Official Body charged with the interpretation or administration thereof, or compliance by Bondholder Representative with any guideline, request or directive (whether or not having the force of law) of any Official Body shall make it unlawful or impossible for Bondholder Representative to make or maintain or fund loans bearing interest based on Daily LIBOR Rate, Bondholder Representative shall notify Borrower. Upon receipt of such notice, until Bondholder Representative notifies Borrower that the circumstances giving rise to such determination no longer apply, the availability of the Variable Rate based on the Daily LIBOR Rate shall be suspended. The Variable Rate shall not exceed the Maximum Rate.

“Written Certificate,” “Written Certification,” “Written Consent,” “Written Direction,” “Written Notice,” “Written Order,” “Written Registration,” “Written Request,” and “Written Requisition” means a written certificate, direction, notice, order or requisition signed by an Authorized Borrower Representative, an Authorized Issuer Representative or an authorized representative of the Bondholder Representative, and delivered to the Trustee, the Bondholder Representative or such other Person as required under the Bond Documents.

Section 1.02. Ownership of Bond; Effect of Action by Bondholder.

- (a) The ownership of the Bond shall be proved by the Bond Register.
- (b) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Bondholder shall bind every future Bondholder and the Registered Owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1.03. Effect of Headings and Table of Contents. The Article and Section headings are for convenience only and shall not affect the construction hereof.

Section 1.04. Date of Indenture. The date of this Indenture is intended as and for a date for the convenient identification of this Indenture and is not intended to indicate that this Indenture was executed and delivered on said date.

Section 1.05. Designation of Time for Performance. Except as otherwise expressly provided herein, any reference in this Indenture to the time of day means the time of day in the city where the Trustee maintains its place of business for the performance of its obligations under this Indenture.

Section 1.06. Interpretation. The parties hereto acknowledge that each of them and the Bondholder Representative and their respective counsel have participated in the drafting and revision of this Indenture. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Indenture or any amendment or supplement or exhibit hereto or thereto.

ARTICLE II

LIMITED LIABILITY

Section 2.01. Source of Payment of Bond and Other Obligations; Disclaimer of General Liability. The Bond is a limited obligations of the Issuer, the principal of, premium, if any, and interest on which are payable solely from the Trust Estate; provided, however, that under this Indenture, the Issuer has reserved to itself, and has not pledged or assigned, the Unassigned Issuer's Rights.

Section 2.02. Exempt from Individual Liability. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in the Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the Mayor, the City Council or any of the members, officers, agents or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owner of the Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the Mayor, the City Council or of any such member, officer, agent or employee, as such, by reason of any act of omission on his or her part or otherwise, for the payment for or to the owners of the Bond or otherwise of any sum that may remain due and unpaid upon the Bond secured by this Indenture or any of them is, by the acceptance of the Bond, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bond. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, the Borrower, the Bondholder Representative or any Bondholder as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee, the Bondholder

Representative or by any Bondholder and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bond shall be had against the Mayor, the City Council or any officer, member, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bond. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the Mayor or the City Council in other than that person's official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond.

Section 2.03. Limited Obligations. THE BOND IS NOT AN OBLIGATION, EITHER GENERAL OR SPECIAL, AND DOES NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OR TAXING POWER OF THE CITY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS PAYABLE SOLELY FROM THE PLEDGED REVENUES AND PROPERTY PLEDGED THEREFOR IN THIS INDENTURE, INCLUDING, WITHOUT LIMITATION, ITS INTEREST IN PAYMENTS RECEIVED UNDER THE NOTE AND NEITHER THE CITY OF LOS ANGELES, THE STATE OF CALIFORNIA NOR ANY SUCH POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. THE BOND HAS BEEN ISSUED PURSUANT TO THE LAW AND IN ACCORDANCE WITH THE ACT.

NO MEMBER, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THIS INDENTURE OR THE BOND, SHALL BE LIABLE PERSONALLY ON THE BOND OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BOND. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BOND, OR FOR ANY CLAIM BASED ON THE BOND, OR OTHERWISE IN RESPECT OF THE BOND, OR BASED ON OR IN RESPECT OF THIS INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BOND AND AS PART OF THE CONSIDERATION FOR THE ISSUE OF THE BOND, EXPRESSLY WAIVED AND RELEASED.

THE BOND, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER SECURED BY THE TRUST ESTATE, IS AND SHALL ALWAYS BE PAYABLE SOLELY FROM THE PLEDGED REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE AND IS

AND SHALL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE PLEDGED REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH PLEDGED REVENUES AND INCOME SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BOND, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE LOAN AGREEMENT.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bond or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against, the Issuer, any past, present or future member of its governing body, its officers, attorneys, accountants, financial advisors, agents or staff or the officers, attorneys, accountants, financial advisors, agents or staff of any successor public entity, as such, either directly or through the Issuer or any successor public entity, under any rule of law or penalty of otherwise, and all such liability of the Issuer, any member of its governing body and its officers, attorneys, accountants, financial advisors, agents and staff is hereby, and by the acceptance of the Bond, expressly waived and released as a condition of, and in consideration for, the execution of this Indenture and the issuance of the Bond.

The Issuer shall not be liable for payment of the principal of or interest on the Bond or any other costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Bond or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

Section 2.04. Limitation of Liability to Pledged Revenues. Notwithstanding anything in this Indenture contained, the Issuer shall not be required to advance any moneys derived from the proceeds of taxes collected by the Issuer, by the State of California or by any political subdivision thereof or from any source of income of any of the foregoing other than the Pledged Revenues for any of the purposes mentioned in this Indenture, whether for the payment of the principal of or interest on the Bond or for any other purpose of this Indenture. The Bond is a limited obligation of the Issuer, and is payable from and secured by the Pledged Revenues only.

Section 2.05. Waiver of Personal Liability. No recourse under or upon any obligation, covenant, warranty or agreement contained in this Indenture or in the Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of this Indenture, shall be had against the Mayor, the City Council or any of the members, officers, agents or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver of the Issuer, or for or to the owners of the Bond, or otherwise, of any sum that may be due and unpaid by the Issuer or its governing body upon the Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of the Mayor, the City Council or any such member, officer, agent or employee, as such, past, present or future of the Issuer by reason of any act or omission on his or her part or otherwise, for the payment for or to the owners of the Bond or otherwise of any sum that may remain due and unpaid upon the Bond secured by this Indenture or any of them is, by the acceptance of the Bond, expressly waived and released as a condition of and in consideration

for the execution of this Indenture and the issuance of the Bond. Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee or the Bondholder as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any recordkeeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee or by the Bondholder and (c) none of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issuance, purchase or ownership of the Bond shall be had against the Mayor, the City Council or any officer, member, agent or employee of the Issuer, as such, all such liability being expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bond. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or the Mayor or the City Council in other than that person's official capacity. No member, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of the principal or redemption price of or interest on the Bond or be subject to any personal liability or accountability by reason of the issuance of the Bond.

ARTICLE III

THE BOND

Section 3.01. Terms.

(a) **Designation.** There are hereby authorized, established and created an issue of Bond of the Issuer to be known and designated as the "Multifamily Housing Revenue Bond (Hazeltine & Wyandotte Apartments) Series 2013K".

(b) **Principal Amount.** The total principal amount of the Bond that may be issued hereunder is hereby expressly limited to the Authorized Amount. No Bond may be issued under the provisions of this Indenture except in accordance with this Article.

(c) **Registered Bond; Numbering; Authorized Denominations.** The Bond shall be issuable only as a single fully registered Bond, without coupons in the principal amount equal to the aggregate of the purchase price of the Bond advanced from time to time by the owner of the Bond. The Bond shall be numbered consecutively from R-1 upwards.

(d) **Dated Date; Maturity.** The Bond shall be dated as of the Closing Date and shall mature on the Maturity Date; provided however that in the event the Extension

Conditions set forth in the Loan Agreement are satisfied, the Bond shall mature on the Extended Maturity Date.

(e) ***Interest Rate; Accrual or Accretion of Interest.***

(i) The Bond shall bear interest at the Variable Rate. The Bondholder Representative shall determine the Variable Rate and will notify the Trustee and the Borrower of such rate.

(ii) Interest on the Bond shall be computed on the basis of the actual number of days elapsed over a year consisting of 360 days. Any determination of the interest on the Bond by the Bondholder Representative shall be conclusive absent manifest error. Interest shall be computed by the Bondholder Representative and provided to the Trustee. The Trustee shall not be held liable for any errors in the computation of interest.

(iii) Interest on the Bond shall accrue from the Closing Date; provided that interest on any Bond authenticated subsequent to the Closing Date shall accrue from the Interest Payment Date next preceding the date of authentication, unless (A) authenticated prior to the first Interest Payment Date, in which event interest on such Bond shall accrue from the initial delivery date, or (B) authenticated on an Interest Payment Date, in which event interest on such Bond shall accrue from the date of authentication. If, as shown by the records of the Trustee, interest on the Bond is in default, interest on Bond issued in exchange for a Bond surrendered for registration of transfer or exchange shall accrue from the date to which interest has been paid in full on the Bond, or, if no interest has been paid on the Bond, from the initial delivery date. The amount of interest payable on the Bond on each Interest Payment Date shall be the amount of interest accrued thereon from the preceding Interest Payment Date (or other date as described above) to, but not including, the Interest Payment Date on which interest is being paid.

(f) ***Interest Payments.*** Interest shall be due and payable on the Bond, in arrears, on each applicable Interest Payment Date. Priority of Interest Payments shall be provided in Section 6.04(c). In any case where any Interest Payment Date is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if such payment was made on originally scheduled date and no interest shall accrue for the period after such Interest Payment Date through the date payment is actually made.

(g) ***Principal Payments.*** Principal of the Bond shall be payable as provided herein on the Maturity Date (or if applicable, the Extended Maturity Date) and upon redemption or acceleration thereof.

(h) ***Usury.*** The Issuer intends to conform strictly to the usury laws applicable to this Indenture and the Bond and all agreements made in the Bond, this Indenture and the Bond Documents are expressly limited so that in no event whatsoever shall the

amount paid or agreed to be paid to the Bondholders as interest or the amounts paid for the use of money advanced or to be advanced hereunder exceed the Maximum Rate. If, from any circumstances whatsoever, the fulfillment of any provision of the Bond, this Indenture or the Bond Documents shall involve the payment of interest in excess of the Maximum Rate, then the obligation to pay interest hereunder shall be reduced to the Maximum Rate; and if from any circumstances whatsoever, the Bondholders shall ever receive anything of value deemed interest, the amount of which would exceed the Maximum Rate, such amount as would be excessive interest shall be deemed to have been applied, as of the date of receipt by the Bondholder, to the reduction of the principal remaining unpaid hereunder and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance, such excess shall be refunded to the Borrower. This paragraph shall control every other provision of the Bond, this Indenture and all Bond Documents. In determining whether the amount of interest charged and paid might otherwise exceed the Maximum Rate, the Issuer intends and agrees that (i) interest shall be computed upon the assumption that payments under the Loan Agreement and other Bond Documents will be paid according to the agreed terms, and (ii) any sums of money that are taken into account in the calculation of interest, even though paid at one time, shall be spread over the actual term of the Bond.

(i) **Payment of Bond Obligations.** Payments of the Bond Obligations shall be made on the applicable Interest Payment Dates to the Registered Holder of the Bond as provided herein. The Bond Obligations shall be payable in lawful money of the United States of America by check drawn upon the Trustee and mailed by first class mail, postage prepaid, on the Interest Payment Date to the person in whose name the Bond is registered in the Bond Register at the close of business on the Record Date, except that if a Registered Holder so elects, any payment of Bond Obligations due to such Registered Holder shall be made by electronic transfer of federal reserve funds to any account in the United States of America designated by such Registered Holder if such Registered Holder, at its expense, (i) so directs by Written Notice delivered to the Trustee at least ten (10) Business Days before the date upon which such electronic transfer or other arrangement is to be made and (ii) otherwise complies with the reasonable requirements of the Trustee. Notwithstanding anything in this Indenture to the contrary, all Bond Obligations shall be made by electronic transfer of federal reserve funds to the Bondholder Representative at the request thereof.

(j) **No Presentation.** No presentation or surrender of Bond shall be required in connection with any partial redemption of any Bond. The Trustee shall maintain a record of the remaining principal amount the Bond Outstanding and shall, upon any transfer or exchange, issue the replacement Bond in the principal amount then Outstanding.

Section 3.02. Form of Bond. The Bond and the certificate of authentication thereof shall be substantially in the respective form set forth in Exhibit A attached hereto, as applicable, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Bond. The Bond may be typewritten, printed, engraved, lithographed or otherwise produced.

Section 3.03. Execution; Authentication. The Bond shall be executed on behalf of the Issuer by the manual or facsimile signature of the Mayor of the City of Los Angeles, and attested by the manual or facsimile signature of an Authorized Attesting Officer. Any facsimile signatures shall have the same force and effect as if said persons had manually signed said Bond. Any reproduction of the official seal of the Issuer on the Bond shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bond. In case any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery, and also any Bond may bear the facsimile signatures of, or may be signed by, such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

Only such Bond as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture and such certificate of the Trustee shall be conclusive evidence that the Bond so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 3.04. Registration; Transfer and Exchange.

(a) The Issuer shall cause the Trustee to keep at the Office of the Trustee the Bond Register in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of the Bond and registration of transfers of the Bond entitled to be registered or transferred as herein provided. The Trustee is hereby appointed Bond Registrar hereunder for the purpose of registering and transferring the Bond as herein provided.

(b) The Bond may, in accordance with the terms of this Indenture but in any event subject to the provisions of Section 3.04(c) hereof, be transferred upon the books of the Trustee required to be kept hereunder, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Trustee, accompanied by a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever the Bond shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver a new, fully registered Bond.

(c) The following shall apply to all transfers of the Bond after the initial delivery of the Bond:

(i) the Bond, in the form attached hereto as Exhibit A, shall be a physical certificated instrument, and shall not be held in a book-entry only system unless approved in advance in writing by the Issuer in its sole discretion;

(ii) the Bond shall be transferred only in whole and only to an entity that qualifies as a Sophisticated Investor, which must execute and deliver the form of Investor Letter attached hereto as Exhibit E;

(iii) each transferee of the Bond shall deliver to the Issuer an Investor Letter in the form of Exhibit E hereto, wherein the transferee agrees, among other matters, not to sell participating interests in the Bond without the prior written consent of the Issuer; and

(iv) the Trustee shall not authenticate or register a Bond unless the conditions of this Section 3.04(c) have been satisfied and the Trustee has received the written consent of the Issuer to such transfer.

(d) The Trustee shall require the payment by the Bondholder requesting any such transfer of any tax, fee or other governmental charge required to be paid with respect to such transfer, but any such transfer shall otherwise be made without charge to the Bondholder requesting the same nor to the Borrower. The cost of printing any Bond and any services rendered or any expenses incurred by the Trustee in connection therewith shall be paid by the Borrower.

(e) The Bondholder Representative and Trustee shall not transfer the Bond without prior written approval by the Issuer; provided that the Issuer agrees that it shall not unreasonably or arbitrarily withhold such approval with respect to a transfer that (1) complies with the requirements of subparagraphs (c)(ii) and (c)(iii), above, and (2) is made by the Bondholder Representative in order to comply with capital requirements or constraints, overall asset disposition strategies or regulatory requirements applicable to the Bondholder Representative as certified to the Issuer in writing and that, with respect to any such requested transfer, the Issuer will provide its consent or specify its reasons for withholding its consent within 10 days of receipt by the Issuer and the Trustee of the items specified in (c)(ii) and (c)(iii) above and the written certification referenced in this sentence. If the Issuer fails to respond within such 10 day period, the Issuer's consent shall be deemed granted. Notwithstanding anything to the contrary herein, the Issuer's consent to a transfer of the Bond shall not be required with respect to any transfer to a subsidiary or affiliate of the then-existing Holder which transfer otherwise meets the requirements hereof, provided that the transferor delivers to the Issuer and Trustee written notice of such transfer not more than ten calendar days following such transfer. The Bondholder Representative shall indemnify and defend the Issuer, and the officers, directors, employees, attorneys and agents of the Issuer against any claim brought by any transferor or transferee of the Bond in respect of the Bond, this Indenture or any of the Loan Documents in the event that there occurs a transfer of the Bond that is not permitted pursuant to this Section 3.04. Failure to comply with Section 3.04(c) shall cause any purported transfer to be null and void.

(f) Any Bond surrendered upon any exchange or transfer provided for in this Indenture shall be promptly canceled by the Trustee and retained by the Trustee in accordance with its document retention policies.

(g) Any Bond issued upon any transfer or exchange of a Bond shall be the valid obligation of the Issuer and entitled to the same security and benefits under this Indenture as the Bond surrendered upon such transfer or exchange.

(h) No service charge shall be made for any transfer or exchange of the Bond, but the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of the Bond. Such sums shall be paid in every instance by the transferor or transferee of the Bond. If any Bondholder fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondholder sufficient to pay any governmental charge required to be paid as a result of such failure and such amount may be deducted by the Trustee from amounts otherwise payable to such Bondholder under this Indenture or under the Bond.

(i) The Trustee shall not be required (i) to transfer or exchange the Bond during any period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of the Bond and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange a Bond so selected for redemption or (iii) to transfer a Bond without receipt of a duly executed Investor Letter to the extent required by subsection (c) above.

Section 3.05. Mutilated, Destroyed, Lost and Stolen Bond and Registered Coupons.

(a) If (i) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss or theft of a Bond, and (ii) there is delivered to the Trustee such security or indemnity as may be required by the Trustee or the Issuer to save the Issuer and the Trustee harmless, then, in the absence of notice to the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like series, tenor and principal amount, bearing numbers not then Outstanding.

(b) Upon the issuance of any new Bond under this Section, the Issuer may require the payment by the Registered Holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses connected therewith.

(c) Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Indenture.

(d) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed lost or stolen Bond.

Section 3.06. Persons Deemed Owners. The Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name the Bond is registered as the Owner of the Bond for the purpose of receiving payment of the Bond Obligations and for all other purposes whatsoever whether or not the Bond is overdue, and, to the extent permitted by law, neither the Issuer, the Trustee nor any such agent shall be affected by notice to the contrary.

Section 3.07. Cancellation. Any Bond surrendered for payment, redemption, transfer or exchange, shall be promptly canceled and retained by the Trustee in accordance with its document retention policies. No Bond shall be authenticated in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided by this Indenture.

ARTICLE IV

REDEMPTION OF BOND

Section 4.01. Optional Redemption.

(a) The Bond may be redeemed in whole, but not in part, on any Business Day upon prepayment of the Note by the Borrower pursuant to Section 2.14 of the Loan Agreement. The Bond may be redeemed pursuant to this Section 4.01 on any date on which the Note may be prepaid pursuant to its terms at the Redemption Price and upon notice to the Bondholder given by the Trustee in accordance with Section 4.09. No such optional redemption of Bond shall be permitted unless the Trustee shall have received Eligible Funds in an amount that will be sufficient to pay the Redemption Price of the Bond not less than one Business Day prior to the date that the Bond are to be redeemed.

(b) The Borrower may exercise such option by giving Written Notice to the Trustee and the Bondholder Representative, of its election to prepay the Note, not less than 20 days prior to the proposed redemption date. Any such notice shall specify the date fixed for optional redemption and contain a certification of the Borrower to the effect that all conditions precedent to such optional redemption have been (or will be, as of the optional redemption date) satisfied. The Bondholder Representative shall, not less than 15 days prior to the date set for such optional redemption, deliver a Written Certificate to the Trustee and to the Borrower setting forth the amount of accrued interest and Prepayment Premium, if any, that will be due and payable as of the date fixed for optional redemption.

Section 4.02. Redemption from Amounts Transferred from Project Fund or Collateral Fund.

(a) The Bond shall be redeemed in whole or in part, in the event and to the extent amounts remaining in the Bond Proceeds Account of the Project Fund are transferred to the Bond Fund pursuant to Section 6.07(e), on the first Interest Payment Date for which notice of redemption can be given in accordance with Section 4.09, at the Redemption Price.

(b) At the Written Direction of the Bondholder Representative, the Bond shall be redeemed in whole or in part from amounts in the Collateral Fund and the Capitalized Interest Account on the earliest Business Day for which notice can be given as required by Section 4.09 at the Redemption Price.

Section 4.03. Mandatory Redemption. The Bond shall be redeemed in whole or in part at the Written Direction of the Bondholder Representative, upon prepayment of the Note by

the Borrower as required by Section 2.15 of the Loan Agreement on the earliest Business Day for which notice can be given in accordance with Section 4.09 at the Redemption Price.

Section 4.04. Redemption for Bond Document Default. The Bond shall be redeemed in whole or in part upon the acceleration of the Note pursuant to Section 7.02 of the Loan Agreement and upon Written Direction of the Bondholder Representative, to the Trustee, in the event of the occurrence of a Loan Agreement Default and the expiration of the applicable cure period or notice and cure period, if any, specified therein, on the earliest Business Day for which notice can be given as required by Section 4.09, at the Redemption Price.

Section 4.05. Mandatory Redemption for Borrower Default. The Bond is subject to mandatory redemption, at the Redemption Price, on the earliest Business Day for which notice can be given as required by Section 4.09, from payments from the Collateral Fund and funds derived from and/or transferred from the Project Fund to the Bond Fund pursuant to Section 6.07, at the Redemption Price, upon the occurrence of any of the following:

(a) in whole, upon receipt by the Trustee of Written Direction (upon which the Trustee may conclusively rely without any investigation or inquiry) from the Bondholder Representative, as a result of the occurrence of a Loan Agreement Default as defined in and under the Loan Agreement; or

(b) [Reserved.]; or

(c) [Reserved.]

Section 4.06. [Reserved.]

Section 4.07. [Reserved.]

Section 4.08. Mandatory Redemption for Tax Events. The Bond shall be redeemed in whole or in part upon a Determination of Taxability and upon Written Direction of the Bondholder Representative, on the earliest Business Day for which notice can be given in accordance with Section 4.09, at the Redemption Price.

Section 4.09. Notice of Redemption. Not less than 15 days, nor more than 30 days, before the redemption date of any Bond to be redeemed, the Trustee shall cause a notice of any such redemption to be mailed by first class mail (but by certified mail to the Bondholder Representative), postage prepaid, to the Registered Owner of the Bond (with a copy to the Borrower, the Limited Partner and the Issuer. Such notice shall also be given by registered, certified or overnight mail, or by facsimile transmission promptly confirmed in writing, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bond and to one or more national information services that disseminate notices of redemption of obligations such as the Bond. The redemption notice shall identify the Bond or portions thereof to be redeemed and shall state:

(a) the date of such notice and the redemption date;

(b) the Redemption Price;

- (c) the original date of execution and delivery of the Bond to be redeemed;
- (d) the interest borne by the Bond to be redeemed;
- (e) the date of maturity of the Bond;
- (f) the number and CUSIP number of the Bond to be redeemed;
- (g) the Redemption Price of any Bond is payable only upon the surrender of the Bond to the Trustee and the address at which the Bond must be surrendered; and
- (h) that interest on the Bond called for redemption ceases to accrue on the redemption date, provided that, subject to the last paragraph of this Section 4.09, on such redemption date Eligible Funds are on deposit in the Bond Fund sufficient to pay the Redemption Price of the Bond to be redeemed in full.

Any notice mailed pursuant to this Section may state that the scheduled redemption is conditional to the extent that Eligible Funds are not held by the Trustee on the redemption date. In such case, the Bond shall be returned to the Holder thereof and remain Outstanding under the terms and conditions of this Indenture.

Section 4.10. Deposit of Redemption Price. Except as provided in Section 4.01, on or prior to any redemption date, and as a condition to such redemption or purchase, the Borrower shall, only to the extent of amounts due under the Note and the Loan Agreement, deposit or cause there to be deposited with the Trustee or applied in accordance with this Indenture, Eligible Funds in an amount sufficient to pay the Redemption Price of the Bond to be redeemed or purchased on that date. Such money shall be held in trust for the benefit of the Persons entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate.

Section 4.11. Bond Payable on Redemption Date. Notice of redemption having been given as aforesaid, the Bond or portions thereof designated for redemption shall become due and payable on the redemption date at the Redemption Price and, from and after such date (unless the Borrower shall default in the payment of the Redemption Price with Eligible Funds), such Bond or portions thereof shall cease to bear interest from and after the redemption date whether or not the Bond is presented and surrendered for payment on such date. If the Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof on the redemption date, the Bond or portion thereof shall continue to bear interest at the rate or rates provided for thereon until paid and the Registered Owner thereof shall have all of the rights and be subject to the limitations set forth in Article IX. Upon surrender of the Bond for redemption in accordance with said notice, the Bond shall be paid by the Trustee on behalf of the Issuer at the Redemption Price to the extent of Eligible Funds held by the Trustee on such redemption date. Installments of interest due on or prior to the redemption date shall be payable to the Registered Owner as of the relevant Record Date, without surrender thereof, according to the terms of the Bond and the provisions of this Indenture.

ARTICLE V

DELIVERY OF BOND; APPLICATION OF BOND PROCEEDS

Section 5.01. Conditions Precedent to the Delivery of Bond. Upon the execution and delivery of this Indenture, the satisfaction of the conditions established by the Issuer in the Resolution and in the Purchase Contract for delivery of the Bond, and the receipt of payment for the Bond, the Issuer shall execute the Bond and deliver it to the Trustee with written directions to authenticate the Bond and deliver it to the order of the Bond Purchaser as shall be directed by the Issuer as hereinafter provided in this Section.

Prior to the delivery by the Trustee of any of the definitive Bond there shall be filed with the Trustee:

- (a) The original Note and executed counterparts of the Bond Documents and the Loan Documents;
- (b) A certified copy of the Resolution;
- (c) Evidence of the payment of the purchase price of the Bond and deposit of the funds required by Section 5.02(b) and Section 5.02(c) hereof;
- (d) An opinion of Bond Counsel substantially to the effect that the Bond constitutes a legal, valid and binding limited obligations of the Issuer and that under existing statutes, regulations, published rulings and judicial decisions, the interest on the Bond is not includable in gross income for federal income tax purposes;
- (e) A certificate of the appropriate official of the Issuer attesting to the incumbency of the directors, officers or members of the Issuer and to such other matters as Bond Counsel or the Bond Purchaser may require;
- (f) Internal Revenue Service Form 8038 executed by the Issuer with respect to the Bond;
- (g) An opinion of Counsel to the Borrower to the effect that the Loan Documents have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms subject to customary qualifications and exceptions;
- (h) A request and authorization to the Trustee by the Issuer signed by an Authorized Representative of the Issuer to authenticate and deliver the Bond in such specified denominations as permitted herein to the Bond Purchaser upon payment to the Trustee, but for the account of the Issuer, of a specified sum of money;
- (i) evidence satisfactory to the Issuer of arrangements to pay all costs associated with the issuance and sale of the Bond;

(j) An executed counterpart of the Investor Letter executed by the Bond Purchaser and addressed to the Trustee and the Issuer in the form set forth in Exhibit E; and

(k) Any other certificates, documents or opinions which the Trustee, the Issuer, the Bondholder Representative or Bond Counsel may require.

Section 5.02. Application of Bond Proceeds and Other Funds. On the Closing Date, the Trustee shall deposit the proceeds derived from sale of the Bond and amounts received from or on behalf of the Borrower, as follows:

(a) The Trustee shall deposit the proceeds from the sale of the Bond (in the amount of \$[10,381,000] in the following Funds:

(i) \$ _____ to the Bond Proceeds Account of the Project Fund;

(ii) \$ _____ to the Capitalized Interest Account of the Project Fund; and

(iii) \$ _____ to the Costs of Issuance Fund.

(b) From the Initial Deposit received from or on behalf of the Borrower, the Trustee shall deposit \$[_____] to the Costs of Issuance Fund and \$_____ to the Capitalized Interest Account of the Project Fund.

(c) From the amounts received from the FHA Lender, the Trustee shall deposit \$[_____] of Collateral Payments to the Collateral Fund.

ARTICLE VI

PLEDGE; FUNDS

Section 6.01. Pledge of Revenues and Assets. The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses hereof for the payment of the principal of, premium, if any, and interest on the Bond, in accordance with their terms and provisions, and for the payment of all other amounts due hereunder, shall attach and be valid and binding from and after the time of the delivery of the Bond by the Trustee or by any person authorized by the Trustee to deliver the Bond. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery or recording thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Section 6.02. Establishment of Funds. There are established with the Trustee the following trust funds:

- (a) the Bond Fund;
- (b) the Project Fund (and therein the Bond Proceeds Account and the Capitalized Interest Account);
- (c) the Rebate Fund;
- (d) the Collateral Fund;
- (e) the Expense Fund; and
- (f) the Costs of Issuance Fund.

All money required to be deposited with or paid to the Trustee for the account of any of the funds created by this Indenture (other than the Rebate Fund and the Expense Account) shall be held by the Trustee in trust for the benefit of the Bondholder, and except for (i) money held in the Expense Fund and the Rebate Fund, and (ii) money deposited with or paid to the Trustee for the redemption of the Bond, notice of the redemption of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien of this Indenture.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All money deposited in the funds and accounts created hereunder shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee may also terminate funds and accounts that are no longer needed.

Section 6.03. Application of Pledged Revenues.

(a) All money received by the Trustee from the Borrower pursuant to Section 2.05 of the Loan Agreement and all other Pledged Revenues (except as provided in subsection (b)), whenever received, shall be deposited by the Trustee into the Bond Fund.

(b) All money received by the Trustee from the Borrower pursuant to Section 2.06 of the Loan Agreement shall be disbursed or transferred, as appropriate, when received by the Trustee, in the following order of priority:

(i) to the Rebate Fund, an amount equal to the Rebate Amount, if any, then required to be deposited therein pursuant to the Loan Agreement; and

(ii) to the Expense Fund, if such moneys are needed to pay any expenses pursuant to Section 2.06 of the Loan Agreement.

(c) All money received by the Trustee from the FHA Lender pursuant to the Funding Agreement shall be deposited by the Trustee into the Collateral Fund.

Section 6.04. Bond Fund.

(a) The Issuer and the Borrower shall have no interest in the Bond Fund or the Collateral Fund or the moneys therein, which shall always be maintained by the Trustee completely separate and segregated from all other moneys held hereunder and from any other moneys of the Issuer and the Borrower.

(b) The Trustee shall deposit into the Bond Fund the amounts required by Sections 5.02, 6.03 and 6.07(d), (e) and (f), together with any other amounts received by the Trustee that are subject to the lien and pledge of this Indenture, including any Pledged Revenues that not otherwise specifically directed in writing to be deposited into other funds created by this Indenture.

(c) On each Interest Payment Date, the Trustee shall apply all amounts on deposit in the Bond Fund in the following order of priority:

First, to pay or provide for the payment of the interest due on the Bond;

Second, to the Expense Fund, an amount equal to (1) 1/12 of: (i) the Trustee's Fee; (ii) the Rebate Analyst's Fee; and (iii) the Servicer's Fee and (2) 1/6 of the Issuer's Fee [ANY OTHERS FEES?]; and

Third, to pay or provide for the payment of the redemption of the Bond pursuant to Sections 4.02, 4.03, 4.04, 4.05 or 4.08 provided moneys have been transferred or deposited into the Bond Fund for such purpose.

Section 6.05. Expense Fund. The Trustee shall deposit in the Expense Fund the amounts referred to in Section 6.03. Amounts on deposit in the Expense Fund shall be used to pay the Third Party Fees as and when the same become due. In the Loan Agreement, the Borrower has agreed to pay directly to the Issuer or the Trustee any extraordinary fees and expenses of the Issuer or the Trustee, as the case may be, that are not included within the Trustee's Fee or the Issuer's Fee, as applicable.

Section 6.06. Costs of Issuance Fund. Amounts in the Costs of Issuance Fund shall be disbursed by the Trustee only to pay Costs of Issuance upon receipt of a written closing memorandum provided to the Trustee by the Borrower, as approved by the Bondholder Representative on the Closing Date and thereafter, upon receipt of a Written Requisition of the Borrower, as approved by the Bondholder Representative and the Issuer, which Written Requisition shall state the amount to be paid, the payee and the purpose for such payment. Upon the receipt of Written Direction from the Borrower or the date that is 90 days following the date of initial execution and delivery of this Indenture, whichever date is earlier, the Trustee shall, at the Written Direction of the Borrower, as approved by the Bondholder Representative, disburse all amounts remaining in the Costs of Issuance Fund.

Section 6.07. Collateral Fund.

(a) The Trustee shall deposit into the Collateral Fund all Collateral Payments received pursuant to Section 2.08 of the Loan Agreement and any other Eligible Funds

received by the Trustee for deposit into the Collateral Fund. Section 2.08 of the Loan Agreement requires the Borrower to cause the FHA Lender to make Collateral Payments to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Project Costs.

(b) The Trustee shall transfer money in the Collateral Fund as follows: (i) on each Interest Payment Date, to the Bond Fund, the amount necessary to pay interest due on the Bond (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund) (ii) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the redemption price; and (iii) on the Maturity Date (or if applicable, the Extended Maturity Date) of the Bond, to the Bond Fund the amount necessary to pay all amounts due on the Bond on such date.

(c) On the earlier of the Maturity Date (or if applicable, the Extended Maturity Date) or any Mandatory Tender Date, the Trustee shall transfer all amounts then on deposit in the Collateral Fund into the Bond Fund to pay first accrued but unpaid interest on the Bond and then the redemption price on the Bond in accordance with Section 4.02(b) hereof.

(d) Amounts on deposit in the Collateral Fund in excess of the amount required to pay in full the Bond may be transferred to the Project Fund.

(e) The Bond shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of the Bond, or the principal component of the redemption price of the Bond, all as provided in this Indenture

(f) Investment income earned on amounts on deposit in the Collateral Fund shall be transferred to the Bond Fund and applied pursuant to Section 6.04 on each Interest Payment Date as required herein. Notwithstanding any provision herein to the contrary, the transfer of investment income from the Collateral Fund to the Bond Fund shall occur automatically on each Loan Payment Date without the need for a Written Requisition of the Borrower or the consent of the Bondholder Representative.

Section 6.08. Project Fund.

(a) Upon the deposit of Collateral Payments in the Collateral Fund as provided in Section 6.07, hereof, and subject to the provisions of this Section 6.08, the Trustee shall use moneys in (i) the Bond Proceeds Account of the Project Fund for Qualified Project Costs and (ii) the Capitalized Interest Account of the Project Fund to make payments on the Note pursuant to Section 2.07 of the Loan Agreement and as otherwise provided in subsection (c). Not less than 95% of the proceeds of the Bond will be expended for Qualified Project Costs (the "95% Requirement"). Before any payment shall be made from any account within the Project Fund, there shall be filed with the Trustee a Written Requisition of the Borrower substantially in the form attached as

Exhibit D and approved by the Bondholder Representative and the Issuer for each such payment (upon which the Trustee may conclusively rely). Amounts on deposit in the Bond Proceeds Account of the Project Fund shall be disbursed from time to time by the Trustee for the sole purpose of paying Qualified Project Costs that are the subject of a Written Requisition and approved in writing by the Bondholder Representative and the Issuer or as otherwise provided in Section 6.07(e) or (f). The Issuer's consent to each disbursement shall be required. The Issuer agrees, however, that if the Issuer has not objected in writing to any Written Requisition within five Business Days of receipt of a request for approval of such Written Requisition, the Issuer shall be deemed to have approved such Written Requisition. Furthermore, if the Issuer and the Bondholder Representative disagree as to whether a particular disbursement shall be approved or disapproved, they shall meet and confer in good faith, upon the request of either of them in an effort to resolve the matter, which meeting may be by telephonic or electronic means, or may be at a personal meeting. If they fail to agree upon the approval or disapproval of a disbursement following such good faith efforts, the Bondholder Representative can approve the disbursement and pay it from the proceeds of the Bond from the Project Fund. Written Requisitions for disbursements from the Bond Proceeds Account of the Project Fund shall include a certification of compliance with the "95% Requirement" referred to above. The Bondholder Representative's and Issuer's approval of a Written Requisition does not constitute a determination by the Bondholder Representative or the Issuer that the amounts requested for disbursement are Qualified Project Costs or that the "95% Requirement" has been met; nor does the Bondholder Representative or Issuer have any duty or responsibility to make these determinations.

(b) In connection with a Written Requisition:

(i) Only the signature of an authorized officer of the Bondholder Representative and the Issuer shall be required on a Written Requisition during any period in which an "Event of Default" has occurred and is then continuing under the Loan Documents (Written Notice of which has been given by the Bondholder Representative to the Trustee and the Issuer, and the Trustee shall be entitled to conclusively rely on any such Written Notice as to the occurrence and continuation of such a default); and

(ii) The Trustee shall be entitled to conclusively rely upon any Written Requisition in determining whether to disburse amounts from the Project Fund.

(c) Within five Business Days of receipt of each fully-approved Written Requisition, the Trustee shall make payment from the appropriate account within the Project Fund in accordance with such Written Requisition countersigned by the Bondholder Representative. The Trustee shall have no duty to determine whether any requested disbursement from the Project Fund complies with the terms, conditions and provisions of the Bond Documents, constitutes Project Costs or Qualified Project Costs or complies with the 95% Requirement. The countersignature of the authorized officer of the Bondholder Representative on a Written Requisition shall, insofar as the Trustee and the Issuer are concerned, constitute conclusive evidence that all of the terms, conditions and requirements of the Bond Documents applicable to such disbursement have been

fully satisfied or waived. The Written Requisition from the Borrower for a disbursement from the Bond Proceeds Account shall, insofar as the Trustee and the Issuer are concerned, constitute conclusive evidence that such costs constitute Qualified Project Costs. Each Written Requisition shall include an exhibit that allocates the amount to be disbursed from the Bond Proceeds Account and the Capitalized Interest Account. The Trustee shall, promptly upon each receipt of a completed Written Requisition of the Borrower countersigned by the Bondholder Representative and the Issuer, initiate procedures to make such amounts available to fund the Written Request, including, but not limited to, initiating procedures with the provider of the Investment Agreement, if any, to make withdrawals under such Investment Agreement as necessary to fund the Written Requisition.

The Trustee shall promptly notify the Borrower, the Limited Partner and the Bondholder Representative if there are not sufficient funds available to make the transfers as and when required by this subsection (c). Except as provided in the next sentence, all such payments shall be made by check or draft payable, or by electronic transfer, either (i) directly to the person, firm or corporation to be paid, (ii) to the Borrower and such person, firm or corporation, or (iii) upon the Bondholder Representative's receipt of evidence that the Borrower has previously paid such amount and Written Direction to the Trustee as to such, to the Borrower. Upon the occurrence of an Event of Default of the Borrower of which the Trustee has knowledge as provided herein, which is continuing under the Bond Documents, with the Written Consent of the Bondholder Representative, the Trustee may apply amounts on deposit in the Project Fund to the payment of principal of and interest on the Bond. If a Written Requisition signed by the Authorized Borrower Representative and countersigned by the Bondholder Representative and the Issuer is received by the Trustee, the requested disbursement shall be paid by the Trustee as soon as practicable, but in no event later than five Business Days following receipt thereof by the Trustee. Upon final disbursement of all amounts on deposit in the Project Fund, the Trustee shall close the Project Fund.

(d) Moneys on deposit in the Capitalized Interest Account, together with investment earnings thereon which shall be retained therein, shall be transferred to the Bond Fund and applied pursuant to Section 6.04 on each Interest Payment Date as required herein. Notwithstanding any provision herein to the contrary, the transfer of moneys from the Capitalized Interest Account to the Bond Fund shall occur automatically on each Loan Payment Date without the need for a Written Requisition of the Borrower or the consent of the Bondholder Representative or the Issuer.

(e) Immediately prior to any mandatory redemption of the Bond pursuant to Section 4.03 or Section 4.04, any amounts then remaining in the Bond Proceeds Account of the Project Fund shall, at the Written Direction of the Bondholder Representative, be transferred to the Bond Fund to be applied to the redemption of the Bond pursuant to Section 4.02(a) or Section 4.03.

(f) When the Project has been completed, the Borrower shall deliver a Certificate of Completion to the Trustee, the Issuer, the Limited Partner and the Bondholder Representative that contains a certification regarding the "95% Requirement"

referred to in subsection (a). On the date that is six months after the date on which the Trustee has received the Certificate of Completion, but in no event later than [_____ 1, 2016], the Trustee shall transfer the balance of any moneys remaining in the Bond Proceeds Account in excess of the amount to be reserved for payment of unpaid Project Costs to the Bond Fund and apply such funds to the redemption of the Bond in accordance with Section 4.02(a).

(g) Amounts on deposit in the Project Fund shall be invested as provided in Section 7.01. All investment income earned on amounts on deposit in each account of the Project Fund shall be retained in and credited to and become a part of the amounts on deposit in that account of the Project Fund.

(h) Notwithstanding any provision of the Loan Agreement or any other provision of this Indenture to the contrary and except to make necessary interest payments, the Trustee shall not disburse money from the Project Fund, other than to pay interest on the Bond, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay interest on the Bond), the Trustee shall determine that the aggregate principal amount that will be held in the Collateral Fund, is at least equal to the then-Outstanding principal amount of the Bond.

Section 6.09. Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate. Subject to the payment provisions provided in subsection (b), all amounts on deposit at any time in the Rebate Fund shall be held by the Trustee in trust, to the extent required to pay arbitrage rebate to the United States of America, and none of the Borrower, the Issuer, the Bondholder Representative or the Holder of the Bond shall have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Tax Certificate (which is incorporated herein by reference). The Issuer and the Trustee shall be entitled to rely on the rebate calculations obtained by the Borrower pursuant to the Tax Certificate and none of the Issuer, the Bondholder Representative or the Holder of the Bond shall be responsible for any loss or damage resulting from any good faith action taken or omitted to be taken by the Issuer or the Trustee in reliance upon such calculations.

(b) Pursuant to the Tax Certificate, the Trustee shall remit all rebate installments and a final rebate payment to the United States of America. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section and the Tax Certificate, other than from moneys held in the Funds and Accounts created under this Indenture or from other moneys provided to it by the Borrower. Any moneys remaining in the Rebate Fund after redemption and payment of the Bond, payment of the fees and expenses of the Trustee and payment and satisfaction of any arbitrage rebate shall be withdrawn and paid to the Borrower.

(c) Notwithstanding any other provision of this Indenture, including in particular Article XII, the obligation to pay arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Bond.

Section 6.10. [Reserved.]

Section 6.11. [Reserved.]

Section 6.12. Application of Funds and Accounts upon Event of Default. Upon the occurrence of an Event of Default, the Trustee, unless otherwise directed in a Written Direction of the Bondholder Representative, shall apply all moneys in the funds and accounts established under this Indenture pursuant to Section 9.04.

Section 6.13. Non-Presentation of Bond. If the Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if money sufficient to pay the Bond shall have been made available to the Trustee for the benefit of the registered holders thereof and shall have remained unclaimed for four years after the date on which such principal became due, upon Written Direction from the Bondholder Representative, shall release such funds to the Bondholder Representative, and all liability of the Issuer and the Trustee to the Holder for the payment of such Bond shall forthwith cease, determine and be completely discharged; provided, however, that the Trustee, before being required to dispose of such funds as stated above shall cause to be published once in a financial newspaper or journal of general circulation in New York, New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be paid to the Bondholder Representative. The Bondholder Representative shall pay the cost of such publication. The obligation of the Trustee under this Section is to dispose of any such funds pursuant to the laws of the State. The Trustee is not liable for interest on any funds held under this Section.

Section 6.14. Repayment from Funds and Accounts. Notwithstanding the Person which is the Registered Holder of the Bond or the Person or Persons acting as Bondholder Representative, any moneys remaining in any fund or account created under this Indenture after payment or provision for payment in full of all Bond Obligations, all fees, charges and expenses of the Issuer, the Trustee and the Rebate Analyst, the payment of all parties to whom moneys are owed pursuant to Section 6.03 and all other amounts required to be paid hereunder or under the Bond Documents, shall be paid to Borrower.

Section 6.15. Additional Funds. The Trustee is hereby authorized to establish and create from time to time such other funds and accounts or subaccounts as may be necessary for the deposit of moneys (including, without limitation, insurance proceeds and/or condemnation awards) received by the Trustee pursuant to the terms hereof or any of the other Bond Documents.

ARTICLE VII

INVESTMENT OF FUNDS

Section 7.01. Investment of Funds.

(a) Any money held as part of the funds and accounts created under this Indenture shall be invested or reinvested by the Trustee solely in Permitted Investments pursuant to Written Direction from the Borrower, and consented to in writing by the Bondholder Representative. All such Permitted Investments shall mature or be subject to withdrawal or redemption without discount or penalty prior to the next Interest Payment Date. In addition, following receipt by a Responsible Officer of Written Notice of an Event of Default of the Borrower, Loan Agreement Default or Default of the Borrower, the Trustee shall invest and reinvest the money it holds as part of the funds and accounts at the Written Direction of the Bondholder Representative. Except as described below, any investment made with money on deposit in a fund or account shall be held by or under control of the Trustee and shall be deemed at all times a part of the fund or account where such money was on deposit, and the interest and profits realized from such investment shall be credited to such fund or account and any loss resulting from such investment shall be charged to such fund or account. In the absence of the receipt of any investment instructions as provided herein, the Trustee is authorized to invest all money under its control in investments described in clause (g) of the definition of Permitted Investments. Further, in the absence of written directions from the Borrower and except for funds required to be invested at a restricted yield pursuant to Section 148 of the Code, the Trustee is expressly authorized to implement its automated cash investment system, to assure that cash on hand is invested, and to charge its normal cash investment fees, which may be deducted from income earned on investments; provided that such fees are separately stated and accounted for. Notwithstanding the foregoing, amounts in the Project Fund shall be invested in the Investment Agreement, if any.

(b) The Trustee may make any investment through its own bond department, investment department or other commercial banking department or Affiliate of the Trustee providing investment services. The Trustee, any such department or the Trustee's Affiliates may receive reasonable and customary compensation in connection with any investment made under this Indenture.

(c) The Trustee shall have no liability or responsibility for any depreciation of the value of any investment made in accordance with the provisions of this Section or for any loss resulting from such investment or redemption, sale or maturity thereof.

(d) Unless otherwise confirmed in writing, an account statement delivered by the Trustee to the Borrower or the Bondholder Representative, as the case may be, shall be deemed written confirmation by said party that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by said party, unless said party notifies the Trustee in writing to the contrary within 30 days of the date of receipt of such statement.

(e) The Issuer (and the Borrower by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Office of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish to the Issuer, the Bondholder Representative, the Borrower and the Limited Partner periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

(f) Except as otherwise provided in subsection (g), the Issuer and the Borrower covenant that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bond (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value (as defined herein).

(g) The Issuer (and the Borrower by its execution of the Loan Agreement) covenants that investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in any reserve fund shall be valued at their present value (within the meaning of Section 148 of the Code).

ARTICLE VIII

REPRESENTATIONS AND COVENANTS

Section 8.01. Representations by the Issuer. The Issuer represents and warrants to the Trustee and the Owner of the Bond that:

(a) The Issuer is a charter city and municipal corporation duly organized, validly existing and in good standing under the constitution and the laws of the State.

(b) Under the provisions of the Law and the Act, the Issuer has power and lawful authority to adopt the Resolution; to execute and deliver the Bond Documents to which it is a party; to issue the Bond and receive the Bond proceeds; to apply the Bond proceeds to make the Loan; to assign the revenues derived and to be derived by the Issuer from the Loan to the Trustee; and to perform and observe the provisions of the Bond Documents and the Bond on its part to be performed and observed.

(c) There is no litigation pending or, to the knowledge of the Issuer, threatened, in any court, either state or federal, calling into question (i) the creation, organization or existence of the Issuer, (ii) the validity of the Bond Documents to which it is a party or the Bond, (iii) the authority of the Issuer to adopt, make or perform, as the case may be, this Indenture or the Bond Documents to which it is a party or to issue, execute and deliver the Bond or (iv) the exclusion from gross income of interest on the Bond for purposes of federal income taxation.

(d) None of the adoption of the Resolution, the execution and delivery of the Bond Documents to which it is a party, the issuance, execution, sale and delivery of the Bond or the performance by the Issuer of its obligations under the Bond Documents or the Bond will violate any provision of the Law or the Act or regulation, or any decree, writ, order or injunction by which the Issuer is bound, or conflict with the provisions of the charter of the Issuer, or contravene the provisions of or constitute a default under any agreement, indenture, resolution or other instrument to which the Issuer is a party or by which the Issuer is bound.

(e) All actions on the part of the Issuer necessary for the execution and delivery of the Bond Documents to which it is a party, the issuance, execution, sale and delivery of the Bond and the performance by the Issuer of its obligations thereunder have been duly and effectively taken. No consent, authorization or approval of, or filing or registration with, any governmental or regulatory body is required on the part of the Issuer for the execution and delivery of the Bond Documents to which it is a party that will not be completed prior to the delivery of the Bond, the issuance, execution, sale and delivery of the Bond, or the performance by the Issuer of its obligations under the Bond Documents or the Bond, except the aforesaid action on the part of the Issuer which has been duly and effectively taken.

(f) All requirements and conditions specified in the Act, the Issuer's charter, the Resolution and all other applicable laws and regulations to the adoption of the Resolution, the making of the Loan, the execution and delivery of the Bond Documents to which it is a party and the issuance, execution, sale and delivery of the Bond have been fulfilled.

(h) The issuance of the Bonds will further the public purposes of the Act.

(i) THE ISSUER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION, THE HABITABILITY THEREOF; THE MERCHANTABILITY OR FITNESS THEREOF FOR ANY PARTICULAR PURPOSES; THE DESIGN OR CONDITION THEREOF; THE WORKMANSHIP, QUALITY, OR CAPACITY THEREOF; LATENT DEFECTS THEREIN; THE VALUE THEREOF; FUTURE PERFORMANCE OR THE COMPLIANCE THEREOF WITH ANY LEGAL REQUIREMENTS.

Section 8.02. No Encumbrance on Trust Estate. The Issuer will not knowingly create or knowingly permit the creation of any mortgage, pledge, lien, charge or encumbrance of any kind on the Trust Estate or any part thereof prior to or on parity with the lien of this Indenture, except as expressly permitted or contemplated by the Bond Documents. The Issuer will do, execute, acknowledge, when appropriate, and deliver from time to time at the reasonable request of the Owner of the Bond or the Trustee and at the expense of the Borrower, after payment of such expenses, such further acts, instruments, financing statements and other documents as are necessary or desirable, and within the legal power of the Issuer, to better assure, transfer, pledge or assign to the Trustee, and grant a security interest unto the Trustee in and to the Trust Estate

and the other properties and revenues herein described and otherwise to carry out the intent and purpose of the Bond Documents and the Bond.

Section 8.03. Payment of Bond Obligations. Subject to the provisions of Article II of this Indenture, the Issuer will duly and punctually pay, or cause to be paid, the Bond Obligations, as and when the same shall become due and will duly and punctually deposit, or cause to be deposited, in the funds and accounts created under this Indenture the amounts required to be deposited therein, all in accordance with the terms of the Bond and this Indenture.

Section 8.04. Loan Agreement Performance.

(a) The Trustee, on behalf of the Issuer, may (but shall not be required or obligated) perform and observe any such agreement or covenant of the Issuer under the Loan Agreement, all to the end that the Issuer's rights under the Loan Agreement may be unimpaired and free from default.

(b) The Issuer will promptly notify the Trustee, the Borrower, the Bondholder Representative and the Limited Partner in writing of the occurrence of any Loan Agreement Default or the occurrence of any Default under the Loan Agreement, provided that the Issuer has written notice or otherwise has actual knowledge of such event.

Section 8.05. Maintenance of Records; Inspection of Records.

(a) The Trustee shall keep and maintain adequate records pertaining to the funds and accounts established hereunder, including all deposits to and disbursements from said funds and accounts, for a period ending six years after the Bond has been paid in full. The Trustee shall retain in its possession all certifications and other documents presented to it, all such records and all records of principal, interest and premium paid on the Bond, subject to the inspection of the Borrower, the Issuer, the Bondholder Representative, the Limited Partner and their representatives at all reasonable times and upon reasonable prior notice.

(b) The Trustee will at any and all times, upon the reasonable request of the Issuer, the Borrower, the Bondholder Representative and the Limited Partner afford and procure a reasonable opportunity by their respective representatives to inspect the books, records, reports and other papers of the Trustee relating to the Project and the Bond, if any, and to make copies thereof.

Section 8.06. Advances by Trustee. If the Issuer fails to perform any of its covenants in this Indenture (and such failure to perform shall not have been timely cured by the Borrower), the Trustee or the Bondholder Representative may, in their sole discretion, but shall not be required to, at any time and from time to time (after written notice to the Borrower if no Loan Agreement Default or Default shall exist under the Loan Agreement) make advances to effect performance of any such covenant on behalf of the Issuer. Any money so advanced by the Trustee or the Bondholder Representative, together with interest at the Default Rate, shall be repaid (subject to the provisions of Article II of this Indenture) upon demand and such advances shall be secured under this Indenture prior to the Bond.

Section 8.07. Tax Covenants.

(a) *Issuer's Covenants.* The Issuer covenants and agrees that, until the final maturity of the Bond, based upon the Borrower's covenants in Section 4.17 of the Loan Agreement, it will not use any money on deposit in any fund or account maintained in connection with the Bond, whether or not such money was derived from the proceeds of the sale of the Bond or from any other source, in a manner that would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. In the event the Borrower notifies the Issuer that it is necessary to restrict or limit the yield on the investment of moneys held by the Trustee pursuant to this Indenture, or to use such moneys in any certain manner to avoid the Bond being considered an arbitrage bond, the Issuer at the written direction of the Borrower shall deliver to the Trustee a Written Order with respect to the investment or use of moneys held by the Trustee, in which event, the Trustee shall take such action as so directed by the Borrower to restrict or limit the yield on such investment or to use such moneys in accordance with such Written Order.

The Issuer shall not use or permit the use of any proceeds of the Bond or any other funds of the Issuer within its control, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions which would result in the Bond being treated other than as an obligation described in Section 103(a) of the Code.

The Issuer will not take any action that would result in all or any portion of the Bond being treated as federally guaranteed within the meaning of Section 149(b)(2) of the Code.

For purposes of this Section 8.07(a) the Issuer's compliance shall be based solely on matters within the Issuer's control and no acts, omissions or directions of the Borrower, the Trustee or any other Persons shall be attributed to the Issuer.

Unless a Favorable Opinion of Bond Counsel is rendered, the Issuer hereby covenants that it will request the Borrower to: (i) expend all proceeds of the Bond and the investment income thereon (excluding amounts in the Rebate Fund) within three years of the Closing Date; (ii) invest all amounts held in the Project Fund (including investment income) in accordance with the Tax Certificate; and (iii) make the payments (but only from the sources and subject to the limitations described in Section 6.08) required to be made to the United States pursuant to the Code in order to establish or maintain the exclusion of interest on the Bond from gross income for federal income tax purposes. All officers of the Issuer are authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the Issuer as of the date of delivery of the Bond. In complying with the foregoing covenants, the Issuer may rely from time to time upon a Favorable Opinion of Bond Counsel to the effect that any action by the Issuer or reliance upon any interpretation of the Code or the Regulations contained in such opinion will not cause interest on the Bond to be includable in gross income for federal income tax purposes under existing law.

(b) *Trustee's Covenants.* The Trustee agrees that it will invest funds held under this Indenture in accordance with the terms of this Indenture. The Trustee shall

have no liability for compliance with the Code to the extent it follows the written directions of the Borrower, the Issuer, the Bondholder Representative or the Rebate Analyst. The Trustee further covenants that should the Issuer, the Bondholder Representative or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, a Favorable Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bond would cause the Bond to become an "arbitrage bond" within the meaning of Section 148 of the Code, then the Trustee will comply with any written instructions of the Borrower, the Bondholder Representative or Bond Counsel regarding such investment or use so as to prevent the Bond from becoming an "arbitrage bond," and the Trustee will bear no liability to the Issuer, the Borrower, the Bondholder Representative or the Bondholder for investments made in accordance with such instructions.

Section 8.08. Performance by the Borrower. Without relieving the Issuer from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the Issuer, may perform any such agreement or covenant if no Loan Agreement Default or Default under the Loan Agreement exists.

Section 8.09. Immunities and Limitations of Responsibility of Issuer. The Issuer shall be entitled to the advice of counsel (who, except as otherwise provided, may be counsel for the Bondholder), and the Issuer shall be wholly protected as to action taken or omitted in good faith in reliance on such advice. The Issuer may rely conclusively on any communication or other document furnished to it hereunder and reasonably believed by it to be genuine. The Issuer shall not be liable for any action (a) taken by it in good faith and reasonably believed by it to be within its discretion or powers hereunder, or (b) in good faith omitted to be taken by it because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to be taken by it by reason of the lack of any direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any person, except its own officers and employees. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The Issuer shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the Issuer is furnished for any expense or liability to be incurred in connection with such remedial action, other than liability for failure to meet the standards set forth in this Section. The Issuer shall be entitled to reimbursement from the Borrower for its expenses reasonably incurred or advances reasonably made, with interest at the rate at which interest accrues from time to time on the Bond, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which the Issuer may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power. The Borrower has indemnified the Issuer against certain acts and events as set forth in Section 4.14 of the Loan Agreement and Section 9 of the Regulatory Agreement. Such indemnities shall survive payment of the Bond and discharge of the Indenture.

Anything in this Indenture to the contrary notwithstanding, it is expressly understood by the parties to this Indenture that (a) the Issuer and the Trustee may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer or the Trustee or the Bondholder Representative as to the existence of any fact or state of affairs, (b) the Issuer shall not be under any obligation under this Indenture to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee or by the Bondholder Representatives, and (c) none of the provisions of this Indenture shall require the Issuer or the Trustee to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Indenture, unless it shall first have been adequately indemnified to its satisfaction against any costs, expenses and liability which it may incur as a result of taking such action.

ARTICLE IX

DEFAULT; REMEDIES

Section 9.01. Events of Default.

(a) Any one or more of the following shall constitute an Event of Default under this Indenture (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) a default in the payment of any interest on the Bond after such interest becomes due and payable; or

(ii) a default in the payment of principal of, or premium on, the Bond after such Bond principal or premium becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for redemption, purchase or otherwise; or

(iii) subject to Section 8.08, default in the performance or breach of any material covenant or warranty of the Issuer in this Indenture (other than a covenant or warranty or default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after there has been given written notice, as provided in Section 13.01, to the Issuer, the Borrower and the Limited Partner by the Trustee or to the Issuer, the Borrower, the Trustee and the Limited Partner by the Bondholder Representative, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" under this Indenture; provided that, so long as the Issuer, or the Borrower or the Limited Partner on behalf of the Issuer, has commenced to cure such failure to observe or perform within the 30-day cure period and the subject matter of the default is not capable of cure within said 30-day period and the Issuer, or the Borrower or the Limited Partner on behalf of the Issuer, is diligently pursuing

such cure to the Trustee's satisfaction, with the Bondholder Representative's Written Direction or Written Consent, then the Issuer, or the Borrower or the Limited Partner on behalf of the Issuer, shall have an additional period of time as reasonably necessary (not to exceed 30 days unless extended in writing by the Bondholder Representative) within which to cure such default; or

(iv) the occurrence and continuance of an Event of Default under the Loan Agreement; or

(v) a failure to pay any Third Party Fee.

(b) The Trustee will promptly notify the Issuer, the Borrower, the Bondholder Representative and the Limited Partner after a Responsible Officer obtains actual knowledge of the occurrence of an Event of Default.

Section 9.02. Acceleration of Maturity; Rescission and Annulment.

(a) Subject to the provisions of Section 9.11, upon the occurrence of an Event of Default, only at the Written Direction of the Bondholder Representative, the Trustee shall declare the principal of the Bond and the interest accrued to be immediately due and payable by notice to the Issuer and the Borrower. Upon such declaration, all principal of, Prepayment Premium, if any, and interest on the Bond shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made pursuant to subsection (a) of this Section, such declaration and its consequences may be rescinded and annulled by Written Notice of the Bondholder Representative if:

(i) there has been deposited with the Trustee a sum sufficient to pay (A) all overdue installments of interest on the Bond, (B) the principal of and redemption premium on the Bond that has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Bond (the deposit of such amounts must be comprised of Eligible Funds), (C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bond, and (D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(ii) all Events of Default, other than the non-payment of the principal of the Bond which have become due solely by such declaration of acceleration, have been cured or have been waived in writing as provided in Section 9.11.

No rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(c) Notwithstanding the occurrence and continuation of an Event of Default, the Trustee is instructed that it shall pursue no remedies against the Borrower, the Project

or the Project Fund if no Loan Agreement Default has occurred and is continuing without the Written Direction of the Bondholder Representative. An Event of Default hereunder shall not in and of itself constitute a Loan Agreement Default.

Section 9.03. Additional Remedies; Bondholder Representative Enforcement.

(a) Upon the occurrence of an Event of Default, the Trustee may, subject to subsection (c) and the last sentence of Section 9.12, proceed to protect and enforce its rights and the rights of the Bondholder by mandamus or other suit, action or proceeding at law or in equity. No remedy conferred by this Indenture upon or remedy reserved to the Trustee or to the Bondholder is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bondholder hereunder or now or hereafter existing at law or in equity or by statute.

(b) Upon the occurrence and continuation of any Event of Default, the Bondholder Representative, may proceed forthwith to protect and enforce its rights and the rights of the Bondholder, the Bond and this Indenture by such suits, actions or proceedings as the Bondholder Representative, in its sole discretion, shall deem expedient.

(c) Notwithstanding anything to the contrary contained in this Indenture, the Trustee shall not exercise any of its rights or remedies under this Article IX or otherwise hereunder or under any of the other Bond Documents as a result of the occurrence of an Event of Default hereunder unless and until instructed by Written Direction to do so by the Bondholder Representative. The Trustee shall in such event exercise such rights and remedies as so instructed by the Bondholder Representative; provided, that the Bondholder Representative shall have offered to the Trustee in writing indemnity reasonably satisfactory to the Trustee against the fees, costs, expenses and liabilities to be incurred by the Trustee in compliance with any such instructions.

Section 9.04. Application of Money Collected. Any money collected by the Trustee pursuant to this Article and any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of the Bond Obligations, upon presentation of the Bond and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due to the Trustee hereunder in connection with actions taken pursuant to this Article and the fees, expenses, liabilities or advances payable to or incurred or made by the Trustee, including any reasonable fees and expenses of counsel;

Second: To the payment of the whole amount of the Bond then due and unpaid in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective

rate or rates prescribed therefor in the Bond) on overdue principal of, any Prepayment Premium and overdue installments of interest on the Bond; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bond, then to the payment of such Bond without any preference or priority, ratably according to the aggregate amount so due; provided, however, that the Bond shall be paid in such order of priority as may be prescribed by Written Direction of the Bondholder Representative, in its sole and absolute discretion;

Third: To the payment of any and all other amounts due under the Bond Documents, including, without limitation, any amounts due to the Issuer, the Trustee, the Bondholder Representative and the Rebate Analyst; and

Fourth: The payment of the remainder, if any, to the Borrower or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 9.05. Remedies Vested in Trustee and Bondholder Representative. All rights of action and claims under this Indenture or the Bond may be prosecuted and enforced by the Trustee without the possession of the Bond or the production thereof in any proceeding relating thereto. Subject to the rights of the Bondholder Representative, to direct proceedings hereunder, any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, shall be for the benefit of the Bondholders, in respect of whom such judgment has been recovered.

Section 9.06. Limitation on Suits; Rights of Bondholder.

(a) Subject to the provisions of Section 9.12 and to rights specifically given to the Bondholder Representative, no Bondholder shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless:

(i) such Bondholder previously has given written notice to the Trustee of a continuing Event of Default;

(ii) such Bondholder shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder; and

(iii) such Bondholder (either alone or together with other Bondholders) has offered to the Trustee in writing reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and the Trustee has thereafter failed or refused to exercise remedies hereunder.

(b) Such notice, request and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this

Indenture or any Loan Document, or for the appointment of a receiver or for any other remedy under this Indenture, it being understood and intended that no Holder has any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or any Loan Document, or to enforce any right hereunder or thereunder, except in the manner provided in this Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in this Indenture for the benefit of the Holder of the Outstanding Bond; provided, however, that nothing in this subsection shall be construed to preclude the Holder from enforcing, or impair the right of the Holder to enforce, the payment by the Trustee of the principal of and interest and premium, if any, on such Holder's Bond at or after its due date from available funds in accordance with this Indenture.

Section 9.07. Unconditional Right of Bondholder to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, other than any provision in Article II to the contrary, the Bondholder shall have the right which is absolute and unconditional to receive payment of the Bond Obligations when due and, subject to Section 9.06, to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the written consent of the Bondholder.

Section 9.08. Restoration of Positions. If the Trustee or the Bondholder shall have instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or to the Bondholder, then and in every such case the Issuer, the Trustee, the Borrower, the Bondholder Representative and the Bondholder shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Issuer, the Trustee and the Bondholder shall continue as though no such proceeding had been instituted.

Section 9.09. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee, the Bondholder Representative or the Bondholder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.10. Delay or Omission Not Waiver. No delay or omission of the Trustee or of the Bondholder to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Bondholder may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholder, as the case may be. No waiver of any Default or Event of Default, whether by the Trustee pursuant to Section 9.11, the Bondholder or the Bondholder Representative, shall extend to or shall affect any subsequent Default or Event of Default or shall impair any rights or remedies consequent thereon.

Section 9.11. Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Trustee, the Bondholder Representative (or, in the event of a monetary default, the Bondholder) may, subject to Section 9.06, by written notice to the Trustee, the Issuer, the Borrower and the Limited Partner, waive any past default hereunder or under the Loan Agreement and its consequences except for default in obligations due the Issuer pursuant to or under the Unassigned Issuer's Rights. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture and the Loan Agreement; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 9.12. Remedies Under Loan Agreement or Note.

(a) As set forth in this Section 9.12, but subject to subsection (c), the Trustee shall have the right, in its own name or on behalf of the Issuer, to declare any default and exercise any remedies under the Loan Agreement or the Note, whether or not the Bond has been accelerated or declared due and payable by reason of an Event of Default. Any money collected by the Trustee pursuant to the exercise of any remedies under the Loan Agreement or the Note shall be applied as provided in Section 9.04.

(b) If an Event of Default has occurred and is continuing, the Trustee, at the Written Direction of the Bondholder Representative, shall have the right to enforce the Bond Documents and pursue the rights and remedies thereunder whether or not the Bond has been accelerated or declared due and payable.

(c) Notwithstanding anything to the contrary contained in this Indenture, the Trustee shall not exercise any of its rights or remedies under the Loan Agreement, the Note or any of the other Bond Documents as a result of the occurrence of a Loan Agreement Default or any default or event of default under any of the other Bond Documents and the expiration of the applicable cure period or notice and cure period, if any, specified therein, unless and until instructed to do so in writing by the Bondholder Representative. The Trustee shall in such event exercise such rights and remedies as so instructed by the Bondholder Representative; provided that the Bondholder Representative shall have offered to the Trustee in writing indemnity reasonably satisfactory to the Trustee against the costs and expenses to be incurred by the Trustee in compliance with any such instructions.

Section 9.13. Waiver of Appraisalment and Other Laws.

(a) To the extent permitted by law, the Issuer will not at any time insist upon, plead, claim or take the benefit or advantage of, any appraisalment, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture; and the Issuer, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Issuer, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the property in the Trust Estate marshaled upon any enforcement hereof.

(b) If any law in this Section referred to and now in force, of which the Issuer or its successor or successors might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the application of this Section.

Section 9.14. Suits to Protect the Trust Estate. Subject to the provisions of Section 9.11 hereof, the Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts that may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Bondholder in the Trust Estate and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Bondholder or the Trustee. The Trustee shall provide written notice to the Bondholder Representative and the Limited Partner of the institution of any such proceedings.

Section 9.15. Remedies Subject to Applicable Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Section 9.16. Assumption of Obligations. [is this relevant if Bond not secured by lien on Project?] If the Trustee, the Bondholder or the Bondholder Representative or their respective assignee or designee shall become the legal or beneficial owner of the Project by foreclosure or deed in lieu of foreclosure, such party shall succeed to the rights and the obligations of the Borrower under the Loan Agreement, the Note, the Regulatory Agreement and the other Bond Documents to which the Borrower is a party. Such assumption shall be effective from and after the effective date of such acquisition and shall be made with the benefit of the limitations of liability set forth therein and without any liability for the prior acts of the Borrower. It is the intention of the parties hereto that upon the occurrence and continuance of an Event of Default hereunder, rights and remedies may be pursued pursuant to the terms of the Bond Documents.

Section 9.17. Cure by Limited Partner. The Issuer, the Trustee and the Bondholder Representative hereby agree that cure of any Default or Event of Default made or tendered by the Limited Partner hereunder or under any Bond Document shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower, provided that the Limited Partner's right to cure shall not extend any cure period. The Trustee, the Issuer and the Bondholder Representative shall provide to the Limited Partner a copy of any default notice delivered to the Borrower hereunder, which copy shall be delivered at the same time and in the same manner as delivered to the Borrower hereunder.

ARTICLE X

THE TRUSTEE

Section 10.01. Appointment of Trustee; Acceptance. The Issuer hereby appoints [Wells Fargo Bank, National Association] as Trustee hereunder. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Indenture including the transfer and assignment of all assets comprising the Trust Estate, by executing this Indenture.

Section 10.02. Certain Duties and Responsibilities of Trustee.

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) If an Event of Default exists, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and subject to subsection (c)(iii), use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, in each case, as finally adjudicated by a court of law, except that

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Bondholder Representative in accordance with the terms hereof relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it in its sole discretion.

(d) Whether or not therein expressly so provided, every provision of this Indenture and the other Bond Documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

(e) The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Indenture.

(f) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(g) The rights of the Trustee and limitations of liability enumerated herein and in Section 10.04 shall extend to actions taken or omitted in its role as assignee of the Issuer under the Loan Agreement and the other Bond Documents.

Section 10.03. Notice of Defaults. Upon the occurrence of any Event of Default hereunder and provided that a Responsible Officer of the Trustee is aware of or has received Written Notice of the existence of such Event of Default, promptly with respect to the Issuer, the Bondholder Representative and the Limited Partner and within 30 days with respect to any Bondholder, the Trustee shall transmit by mail to Issuer, the Bondholder Representative, the Limited Partner and the Bondholder as their names and addresses appear in the Bond Register, notice of such Event of Default known to the Trustee pursuant to Section 10.03, unless such Event of Default shall have been cured or waived.

Section 10.04. Certain Rights of Trustee. Except as otherwise provided in Section 10.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Issuer Representative;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Written Certificate of the Issuer or the Borrower, as appropriate;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of the Bondholder Representative pursuant to this Indenture, unless the Bondholder Representative shall have offered to the Trustee in writing security or indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in

compliance with such request or direction, provided, that nothing contained in this subparagraph (d) shall be construed to require such security or indemnity for the performance by the Trustee of its obligations under Article VI and Section 9.02;

(e) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Issuer, if any, and of the Borrower, in either case personally or by agent or attorney after reasonable notice and during normal business hours;

(f) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and pay reasonable compensation thereto and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder. The Trustee may act, or refrain from acting, upon the advice of counsel of its choice appointed with due care concerning all matters of the trusts hereof and the Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken in reliance upon said advice; and

(g) the Trustee shall not be required to take notice or be deemed to have notice of any Event of Default except for Events of Default specified in subsection (a) of Section 9.01, unless a Responsible Officer of the Trustee shall be specifically notified by a Written Direction of such Default or Event of Default by the Issuer, the Bondholder Representative or by the Bondholder, and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered in writing to a Responsible Officer of the Trustee at the Office of the Trustee, and in the absence of such Written Notice so delivered the Trustee may conclusively assume there is no Default or Event of Default as aforesaid.

Section 10.05. Not Responsible for Recitals. The recitals contained herein and in the Bond, except the certificate of authentication on the Bond, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bond.

Section 10.06. May Hold Bond. The Trustee in its individual or any other capacity may become the Owner or pledgee of the Bond and may otherwise deal with the Issuer and the Borrower with the same rights it would have if it were not Trustee.

Section 10.07. Money Held in Trust. Except with respect to money held in the Collateral Fund, money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise provided in Article VII.

Section 10.08. Compensation and Reimbursement.

(a) Under the Loan Agreement, the Borrower has agreed to, except as otherwise expressly provided herein, reimburse the Trustee as provided in this Indenture or the Loan Agreement, upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable fees, expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or willful misconduct, both as finally adjudicated by a court of law. When the Trustee incurs expenses or renders service in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors rights generally.

(b) The Issuer has no obligation to pay the Trustee for services rendered except from moneys on deposit in the Expense Fund.

(c) As security for the performance of the obligations of the Borrower under this Section, the Trustee shall be secured under this Indenture by a lien prior to the Bond, and for the payment of such compensation, expenses, reimbursements and indemnity, the Trustee shall have the right to use and apply any moneys held by it as part of the Trust Estate, subject to the provisions of Section 9.04.

Section 10.09. Trustee Required; Eligibility. Any successor Trustee shall at all times be a trust company, a state banking corporation or a national banking association with the authority to accept trusts in the State and either (a) have a combined capital and surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, (b) be a wholly-owned subsidiary of a bank holding company, or a wholly-owned subsidiary of a company that is a wholly-owned subsidiary of a bank holding company, having a combined capital surplus of at least \$50,000,000 as set forth in its most recent published annual report of condition, or having at least \$50,000,000 of trust assets under management and have a combined capital surplus of at least \$2,000,000 as set forth in its most recent published annual report of condition, or (c) is otherwise acceptable to the Bondholder Representative in its sole and absolute discretion.

Section 10.10. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee hereunder and no appointment of a successor Trustee pursuant to this Article shall become effective until the written acceptance by the successor Trustee of such appointment.

(b) The Trustee may resign at any time by giving 30 days' Written Notice thereof to the Issuer, the Borrower, the Limited Partner and the Bondholder Representative. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Issuer or the Bondholder Representative may remove the Trustee at any time with 30 days' notice by Written Notice delivered to the Trustee, the Issuer, the Borrower, the Limited Partner and the Bondholder Representative.

(d) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Bondholder Representative, with the written consent of the Issuer, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Bondholder Representative with the consent of the Issuer. If, within 60 days after such resignation, removal or incapability or the occurrence of such vacancy, the Bondholder Representative has failed to so appoint a successor Trustee, then a successor Trustee shall be appointed by the Issuer with the consent of the Bondholder Representative with Written Notice thereof delivered to the Borrower and the retiring Trustee, and the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by such receiver or trustee. If no successor Trustee shall have been appointed by the Bondholder Representative and accepted appointment in the manner hereinafter provided, the Bondholder or retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) The retiring Trustee shall cause Written Notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to be mailed by first-class mail, postage prepaid, to the Borrower and the Bondholder as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of the Office of the successor Trustee.

Section 10.11. Acceptance of Appointment by Successor.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; notwithstanding the foregoing, at the request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

Section 10.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case the Bond shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bond so authenticated with the same effect as if such successor Trustee had itself authenticated the Bond.

Section 10.13. Requirements for Bondholder Consent and Instruction to the Trustee.

(a) Notwithstanding anything to the contrary contained herein or in any of the other Bond Documents, except the provisions of Article XIII regarding the consent or approval of the Bondholder to any supplement or amendment to this Indenture, the Loan Agreement, the Note or to any of the other Bond Documents, the following provisions shall govern and control with respect to any consents, determinations, elections, approvals, waivers, acceptances, satisfactions or expression of opinion of or the taking of any discretionary act or the giving of any instructions or the taking of actions by the Bondholder Representative or the Bondholder hereunder or under any of the other Bond Documents.

(b) The Issuer and the Trustee acknowledge that concurrently with the issuance of the Bond, the Bond Purchaser has designated PNC Bank, National Association as the Bondholder Representative. The Majority of Holders may designate a successor Bondholder Representative in a certificate substantially in the form attached as Exhibit C and delivered to the Trustee, the Issuer and the Borrower. Except as otherwise provided in this Indenture, the Bondholder Representative shall have the authority to bind the Bondholder for all purposes hereunder and under each of the other Bond Documents, including, without limitation, for purposes of exercising the rights of the Bondholder Representative under Section 13.05. The Trustee shall be entitled to rely upon the acts of any such Bondholder Representative as binding upon the Bondholder Representative and the Bondholder.

(c) Until the Trustee receives written notice signed by the Bondholder Representative that a new Bondholder Representative has been appointed by a Majority of Holders, the Bondholder Representative shall continue to act in such capacity and the Trustee shall continue to rely on the actions of such Bondholder Representative for all purposes hereunder and under each of the Bond Documents.

Section 10.14. Appointment of Co-Trustee.

(a) It is the purpose of this Indenture that there shall be no violation of any laws of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Loan Agreement or the Regulatory Agreement, and in particular in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein provided, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section are adopted to these ends.

(b) The Trustee is hereby authorized to appoint an additional individual or institution as a separate or co-trustee hereunder, upon Written Notice to the Issuer and the Borrower and with the consent of the Issuer and the Bondholder Representative, but without the necessity of further authorization or consent, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture, the Regulatory Agreement or the Loan Agreement to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

(c) Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request of the Trustee, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate trustee or co-trustee.

Section 10.15. [Reserved.]

Section 10.16. Requests from Rating Agency. If the Bond is at any time rated by a Rating Agency, the Trustee shall promptly, during such time, respond in writing, or in such other manner as may be reasonably requested, to requests from the Rating Agency for information deemed necessary by the Rating Agency in order to maintain the rating assigned thereby to the Bond. The Trustee shall promptly furnish any such requested information in its possession to the Rating Agency.

Section 10.17. No Recourse Against Officers or Employees of Trustee. No recourse with respect to any claim related to any obligation, duty or agreement contained in this Indenture or any other Bond Document shall be had against any officer, shareholder, director or employee, as such, of the Trustee, it being expressly understood that the obligations, duties and agreements of the Trustee contained in this Indenture and the other Bond Documents are solely corporate in nature.

ARTICLE XI

SUPPLEMENTAL INDENTURES; AMENDMENT OF LOAN AGREEMENT AND BOND DOCUMENTS

Section 11.01. Supplemental Trust Indentures without Bondholder's Consent. The Issuer and the Trustee from time to time may enter into a Supplemental Indenture, without the consent of the Bondholder, but with the consent of the Bondholder Representative and the Borrower, as are necessary or desirable to:

- (a) cure any ambiguity or formal defect or omission or correct or supplement any provision herein that may be inconsistent with any other provision herein;
- (b) grant to or confer upon the Trustee for the benefit of the Bondholder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholder or the Trustee;
- (c) amend any of the provisions of this Indenture to the extent required to maintain the exclusion of interest on the Bond from gross income for federal income tax purposes;
- (d) add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer;
- (e) make any change herein that is required by any Rating Agency in order to obtain a rating by such Rating Agency on the Bond;
- (f) [reserved]; or
- (g) make any other change which is not materially adverse to the interests of the Bondholder.

The Trustee will provide the Issuer, the Borrower, the Limited Partner and the Bondholder Representative with at least ten Business Days Written Notice of any proposed Supplemental Indenture. Immediately after the execution of any Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause a notice of the proposed execution of such Supplemental Indenture to be mailed, postage prepaid, to the Bondholder. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the designated office of the Trustee for inspection by the Bondholder. A

failure on the part of the Trustee to mail the notice required by this Section shall not affect the validity of such Supplemental Indenture.

Section 11.02. Supplemental Trust Indentures with Bondholder's Consent.

(a) Except as otherwise provided in Section 11.01, subject to the terms and provisions contained in this Section and Section 11.03, the Bondholder Representative shall have the right, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee, of each Supplemental Indenture as shall be deemed necessary or desirable by the Issuer, the Borrower or the Bondholder Representative for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of the Holder of the Bond affected by such Supplemental Indenture, (i) an extension in the payment of any Bond Obligation with respect to any Bond issued hereunder, or (ii) a reduction in any Bond Obligation payable under or with respect to any Bond, or the rate of interest on any Bond, or (iii) the creation of a lien upon or pledge of the money or other assets pledged to the payment of the Bond hereunder, or the release of any such assets from the lien of this Indenture, or (iv) a preference or priority of any Bond over any other Bond, or (v) a reduction in the aggregate principal amount of the Bond required for consent to such Supplemental Indenture or to any amendment, change or modification to the Bond Documents as provided in this Article XI, or (vi) an extension or reduction in the payment of any other amount payable on or in connection with any Bond issued hereunder. Nothing herein contained, however, shall be construed as making necessary the approval of the Bondholder (other than the Bondholder Representative) of the execution of any Supplemental Indenture authorized in Section 11.01.

(b) If at any time the Issuer or the Borrower shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of this Section, the Trustee, at the expense of the Borrower, shall cause notice of the proposed execution of such Supplemental Indenture to be mailed, postage prepaid, to the Bondholder and the Limited Partner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the designated office of the Trustee for inspection by Bondholder. The Trustee shall not, however, be subject to any liability to the Bondholder by reason of its failure to mail the notice required by this Section 11.02, and any such failure shall not affect the validity of such Supplemental Indenture when consented to and approved as provided in this Section.

(c) Whenever, at any time within one year after the date of mailing of such notice, the Issuer delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Bondholder Representative which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon but not otherwise, the Trustee may, subject to the provisions of the subsection (a), execute such Supplemental Indenture in substantially such form.

(d) Subject to subsection (a), if, at the time of the execution of such Supplemental Indenture, the Bondholder Representative shall have consented to and approved the execution thereof as herein provided, the Bondholder shall have no right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 11.03. Supplemental Indentures Part of Indenture. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture, and all of the terms and conditions contained in any such Supplemental Indenture as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. This Indenture shall be, and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee, the Bondholder Representative and the Bondholder shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments. Express reference to any Supplemental Indenture may be made in the text of any Bond authenticated after the execution of such Supplemental Indenture, if deemed necessary or desirable by the Trustee.

Section 11.04. Discretion of Trustee to Execute Supplemental Indenture. Except in the case of a direction from the Bondholder Representative (unless the Trustee determines, in its reasonable discretion, that such Supplemental Indenture increases its duties or adversely affects its rights, privileges or indemnities), the Trustee shall not be under any responsibility or liability to the Issuer or to the Bondholder or to anyone whomsoever for its refusal in good faith to enter into any Supplemental Indenture if such Supplemental Indenture is deemed by it to be contrary to the provisions of this Article or if the Trustee has received an Opinion of Counsel that such Supplemental Indenture is contrary to law or materially adverse to the rights of the Bondholder.

Section 11.05. Consents and Opinions. Subject to Section 11.01, any Supplemental Indenture entered into under this Article XI shall not become effective unless and until the Borrower and the Bondholder Representative shall have approved the same in writing, each in its sole discretion. No Supplemental Indenture shall be effective until the Issuer, the Borrower, the Bondholder Representative and the Trustee shall have received a Favorable Opinion of Bond Counsel. The Trustee and the Issuer shall receive, at the expense of the Borrower, or, if such Supplemental Indenture is requested by the Bondholder Representative, at the expense of the Bondholder Representative, an Opinion of Counsel to the effect that any such proposed Supplemental Indenture is authorized and complies with the provisions of this Indenture.

Section 11.06. Notation of Modification on Bond; Preparation of New Bond. Any Bond authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article may bear a notation, in form approved by the Trustee and the Issuer, as to any matter provided for in such Supplemental Indenture, and if such Supplemental Indenture shall so provide, a new Bond, so modified as to conform, in the opinion of the Trustee and the Issuer, to any modification of this Indenture contained in any such Supplemental Indenture, may be prepared by the Issuer, at the expense of the Borrower, or, if such amendment is requested by the Bondholder Representative, at the expense of the Bondholder Representative,

authenticated by the Trustee and delivered without cost to the Bondholders of the Bond then Outstanding, upon surrender for cancellation of such Bond in equal aggregate principal amounts.

Section 11.07. Amendments to Loan Agreement and Bond Documents Not Requiring Consent of Bondholder. The Issuer shall not consent to any amendment, change or modification of the Loan Agreement or any other Bond Document (other than this Indenture) without the prior written consent of the Trustee, the Borrower (if no Loan Agreement Default has occurred and is continuing) and the Bondholder Representative. The Issuer and the Trustee may, without the consent of or notice to the Bondholder, but only with the consent of the Borrower and the Bondholder Representative consent to any amendment, change or modification of any of the above-mentioned documents as are necessary or desirable to:

- (a) cure any ambiguity or formal defect or omission, correct or supplement any provision therein;
- (b) grant to or confer upon the Trustee for the benefit of the Bondholder any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholder or the Trustee;
- (c) amend any of the provisions therein to the extent required to maintain the exclusion from gross income of interest on the Bond for federal income tax purposes;
- (d) add to the covenants and agreements of the Issuer therein other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power therein reserved to or conferred upon the Issuer;
- (e) make any change that is required by any Rating Agency in order to obtain or maintain a rating by such Rating Agency on the Bond;
- (f) [reserved]; or
- (g) make any other change which is not materially adverse to the interests of the Bondholder.

Section 11.08. Amendments to Loan Agreement and Bond Documents Requiring Consent of Bondholder.

- (a) Except for the amendments, changes or modifications corresponding to those provided in Section 11.07, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement or the other Bond Documents (other than this Indenture) without the consent of the Bondholder Representative; provided, however, that nothing herein shall permit or be construed as permitting, without the consent of the Holder of all of the Bond, (i) an extension of the time of payment of any amounts payable under the Note, the Loan Agreement or the Bond, or (ii) a reduction in the amount of any payment to be made with respect to the Note, the Loan Agreement, or the Bond, or the rate of interest on the Note or any Bond, or (iii) the creation of a lien upon or pledge of the money or other assets pledged to the payment of the Note, Loan Agreement or the Bond hereunder, or the release of any such

assets from the lien of this Indenture, or (iv) a preference or priority of any Bond over any other Bond, or (v) a reduction in the aggregate principal amount of the Bond required for consent to any such amendment, change or modification as provided herein, or (vi) an extension or reduction in the payment of any other amount payable on or in connection with the Note, the Loan Agreement or any Bond issued hereunder. If at any time the Issuer or the Borrower requests consent to any such proposed amendment, change or modification of any of such documents, other than an amendment, change, or modification permitted by Section 11.07, the Trustee shall, at the expense of the Borrower, cause notice of such proposed amendment, change or modification to be mailed, postage prepaid, to the Bondholder. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the amendment to such document embodying the same are on file at the designated office of the Trustee for inspection by the Bondholder. The Trustee shall not, however, be subject to any liability to the Bondholder by reason of its failure to mail the notice required by this Section, and any such failure shall not affect the validity of such supplement or amendment to such document when consented to and approved as provided in this Section.

(b) Whenever, at any time within one year after the date of mailing such notice, the Issuer delivers to the Trustee an instrument or instruments in writing purporting to be executed by the Bondholder Representative, which instrument or instruments shall refer to the proposed amendment or supplement to the document described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon but not otherwise, the Issuer and/or the Trustee may execute such amendment in substantially the form on file as provided above, without liability or responsibility to any Bondholder, whether or not such Bondholder has consented thereto.

ARTICLE XII

DEFEASANCE

Section 12.01. Satisfaction and Discharge of Indenture. Whenever all Bond Obligations have been fully paid and the Bond is no longer Outstanding, and all fees, costs and expenses due and payable hereunder and under the other Bond Documents have been paid in full, then (a) this Indenture and the lien, rights and interests created hereby shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of the Bond herein or therein provided for) and (b) the Trustee shall execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver all cash and securities then held by it hereunder as a part of the Trust Estate pursuant to Section 6.13.

Section 12.02. Trust for Payment of Debt Service.

(a) The Issuer shall, at the Written Request of the Borrower, on any date provide for the payment of the Bond by establishing an escrow (at the sole expense of the Borrower) for such purpose with the Trustee and depositing therein cash and/or

Government Obligations (as set forth in the Borrower's Written Request) that (assuming the due and punctual payment of the principal of and interest on such Government Obligations, but without reinvestment) will provide funds sufficient to pay the principal, premium, if any, and interest on the Bond as the same become due and payable until the maturity or redemption of the Bond; provided, however, that

(i) such Government Obligations must not be subject to redemption prior to their respective maturities at the option of the issuer of such Government Obligations,

(ii) if the Bond is to be redeemed prior to its maturity, either (A) the Trustee shall receive evidence that irrevocable written notice of such redemption has been given in accordance with the provisions of this Indenture and the Bond or (B) the Issuer shall confer on the Trustee irrevocable written authority for the giving of such notice on behalf of the Issuer,

(iii) prior to the establishment of such escrow the Issuer, the Trustee and the Bondholder Representative must receive (A) an Opinion of Counsel stating in effect that upon the occurrence of an Act of Bankruptcy, money and investments in such trust will not be recoverable from the Trustee or the Bondholder under provisions of the Bankruptcy Code relating to voidable preferences, and (B) a Favorable Opinion of Bond Counsel, and

(iv) prior to the establishment of such escrow, the Trustee must receive a report by an independent certified public accountant stating in effect that the principal and interest payments on the Government Obligations in such escrow, without reinvestment, together with the cash initially deposited therein, will be sufficient to make the required payments from such trust.

(b) Cash and/or Government Obligations deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate, irrevocable trust fund for the benefit of the Bondholder to be paid from such fund. The Trustee shall apply such cash and the principal and interest payable on such Government Obligations solely to the payment of the principal of and premium, if any, and interest on the Bond.

(c) The obligations hereunder relating to paying agent, registrar and transfer agent functions and the provisions of Section 6.08 and Article X shall survive defeasance.

(d) No defeasance escrow will be established with the Trustee pursuant to this Article XII without the Written Consent of the Bondholder Representative.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Notices.

(a) All notices, demands, requests and other communications required or permitted to be given by any provision of this Indenture shall be in writing and sent by first class, regular, registered or certified mail, commercial delivery service, overnight courier, telegraph, telex, telecopier or facsimile transmission, air or other courier, or hand delivery to the party to be notified addressed as follows:

To the Issuer: City of Los Angeles
Housing Department
8th Floor
1200 West 7th Street
Los Angeles, CA 90017
Attention: Supervisor, Affordable Housing Bond Program

with a copy to: Los Angeles Housing Department
Post Office Box 532729
Los Angeles, CA 90053-2729
Attention: Supervisor, Affordable Housing Bond Program

To the Trustee: [Wells Fargo Bank, National Association]
[MAC A0119-181
18th Floor
333 Market Street,
San Francisco, CA 94105
Attention: Corporate Trust Services
Telephone: (415) 371-3361
Facsimile: (415) 371-3400]

To the Borrower: Hazeltine & Wyandotte, LP
% InSite Development, LLC
[ADDRESS]

Attention: [_____]
Telephone: [(_____) _____]

With a copy to: Hobson, Bernardino & Davis LLP
Suite 3230
725 South Figueroa Street
Los Angeles, CA 90017

Attention: Jason Hobson
Telephone: (213) 235-9191

With a copy to:

PNC Bank, National Association
% Columbia Housing SLP Corporation
Suite 1300
121 S.W. Morrison Street
Portland, OR 97204-3143
Attention: Fund Manager

To the Bondholder
Representative:

PNC Bank, National Association
Suite 2300
500 West Jefferson Street
Louisville, KY 40202
Attention: Commercial Real Estate Loan
Administration
Facsimile: (502) 581-3831

To Limited Partner:

PNC Bank, National Association
% Columbia Housing SLP Corporation
Suite 1300
121 S.W. Morrison Street
Portland, OR 97204-3143
Attention: Fund Manager

Any such notice, demand, request or communication shall be deemed to have been given and received for all purposes under this Indenture: (i) three Business Days after the same is deposited in any official depository or receptacle of the United States Postal Service first class, or, if applicable, certified mail, return receipt requested, postage prepaid; (ii) on the date of transmission when delivered by telecopier or facsimile transmission, telex, telegraph or other telecommunication device, provided any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day; (iii) on the next Business Day after the same is deposited with a nationally recognized overnight delivery service that guarantees overnight delivery; and (iv) on the date of actual delivery to such party by any other means; provided, however, if the day such notice, demand, request or communication shall be deemed to have been given and received as aforesaid is not a Business Day, such notice, demand, request or communication shall be deemed to have been given and received on the next Business Day; and provided further, that notices to the Trustee shall not be deemed to be given until actually received by the Trustee. Any facsimile signature by a Person on a document, notice, demand, request or communication required or permitted by this Indenture shall constitute a legal, valid and binding execution thereof by such Person.

Any party to this Indenture may change such party's address for the purpose of notice, demands, requests and communications required or permitted under this Indenture by providing written notice of such change of address to all of the parties by written notice as provided herein.

(b) Where this Indenture provides for giving of notice to the Trustee, such notice shall also be given to the Bondholder Representative and the Limited Partner. Failure to provide any such duplicate notice pursuant to the foregoing sentence, or any defect in any such duplicate notice so provided, shall not be treated as a failure to give the primary notice or affect the validity thereof or the effectiveness of any action taken pursuant thereto.

Section 13.02. Notice to Bondholders; Waiver.

(a) Where this Indenture provides for giving of notice to the Bondholder of any event, such notice must (unless otherwise herein expressly provided) be in writing and mailed, first-class postage prepaid, to the Bondholder, at the address of the Bondholder as it appears in the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

(b) Where this Indenture provides for notice in any manner, the person entitled to receive notice may waive the notice in writing, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholder shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.03. Successors and Assigns. All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 13.04. Benefits of Indenture. Nothing in this Indenture or in the Bond, expressed or implied, shall give to any person, other than the parties hereto and their successors hereunder, the Borrower, the Bondholder, the Bondholder Representative and the Limited Partner, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 13.05. Bondholder Representative.

(a) The entity designated in Section 10.13(b) shall be the initial Bondholder Representative. The Bondholder Representative may provide written notice to the Trustee designating particular individuals authorized to execute any consent, waiver, approval, direction or other instrument on behalf of the Bondholder Representative and such notice may be amended or rescinded by the Bondholder Representative at any time. The Bondholder Representative may be removed and a successor appointed by a Written Notice given by a Majority of Holders to the Trustee, the Issuer and the Borrower, substantially in the form of Exhibit C. The removal and reappointment shall be effective immediately upon receipt of such notice by the Trustee. A Majority of Holders may appoint any Person to act as Bondholder Representative.

(b) If for any reason, no Bondholder Representative shall then be appointed, all references to Bondholder Representative herein and in the Bond Documents shall be deemed to refer to a Majority of Holders.

(c) Whenever pursuant to this Indenture or any other Bond Document the Bondholder Representative exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to the Bondholder Representative, the decision of the Bondholder Representative to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein or therein provided) be in the sole discretion of Bondholder Representative and shall be final and conclusive.

(d) Whenever this Indenture or any Bond Document requires the consent, determination, election, approval, waiver, acceptance, satisfaction or expression of opinion of, or the taking of any discretionary act by, the Trustee (all of the foregoing being referred to as "Consent" in this Section 13.05), the right, power, privilege and option of the Trustee to withhold or grant its Consent shall be deemed to be the right, power, privilege and option of the Bondholder Representative to withhold or grant such Consent, and the Trustee shall have no responsibility for any action or inaction with respect thereto, except as may be otherwise set forth in this Indenture (including, without limitation, Section 11.04).

Section 13.06. Proof of Execution of Writings and Ownership. Any instrument provided in this Indenture to be signed or executed by the Registered Owners of all or any portion of the Bond may be in any number of writings of similar tenor and may be signed or executed by such Registered Owners in person or by their duly authorized representatives. Proof of the execution of any such instrument, or of the writing appointing any such agent, or of the ownership of the Bond (other than the assignment of ownership of a Bond as set forth in the form of Bond), shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Issuer and the Trustee with respect to any actions taken by either under such instruments if:

(a) the fact and date of the execution by any person of any such instrument is proved by (i) a certificate of any officer of any jurisdiction who by law has power to take acknowledgments of deeds within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or (ii) an affidavit of a witness of such execution; and

(b) the ownership of the Bond is proved by the Bond Register kept by the Bond Registrar.

Section 13.07. Legal Holidays. In any case in which the date of payment of any Bond Obligation or the date on which any other act is to be performed pursuant to this Indenture shall be a day that is not a Business Day, then payment of such Bond Obligation or such act need not be made on such date but may be made on the next succeeding Business Day, and such later payment or such act shall have the same force and effect as if made on the date of payment or the

date fixed for redemption or the date fixed for such act, and no additional interest shall accrue for the period after such date and prior to the date of payment.

Section 13.08. Governing Law; Venue. The formation, interpretation and performance of this Indenture shall be governed by the laws of the State of California. Venue for all litigation arising from or in connection with the Bond or this Indenture shall be in Los Angeles, California.

Section 13.09. Severability. If any provision of this Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired. In case any covenant, stipulation, obligation or agreement contained in the Bond or in this Indenture shall for any reason be held to be usurious or in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer or the Trustee only to the full extent permitted by law.

Section 13.10. Execution in Several Counterparts. This Indenture may be contemporaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original.

Section 13.11. FHA Federal Laws and Requirements Control. Notwithstanding anything in this Indenture or the Loan Agreement to the contrary:

(a) Borrower, Trustee and Issuer acknowledge that this Indenture, and any obligations of Borrower hereunder, are subject and subordinate to the following documents (collectively, the "Senior Loan Documents"): (i) \$[FHA LOAN AMT] Note (Multistate) dated as of [December 1, 2013] (the "Senior Note") from Borrower to FHA Lender, initially endorsed for mortgage insurance by the Secretary of Housing and Urban Development ("HUD") pursuant to Section 223f of the National Housing Act, as amended (the "Senior Note"); (ii) Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement dated as of [December 1, 2013] from Borrower for the benefit of FHA Lender to secure the Senior Note (the "Senior Mortgage"); (iii) Regulatory Agreement dated as of [December 1, 2013] between Borrower and HUD (the "HUD Regulatory Agreement"); and (iv) any and all other documents, agreements, or instruments which evidence or secure the indebtedness evidenced by the Senior Note. Notwithstanding any provision in this Indenture to the contrary, no obligations of the Borrower or hereunder shall be payable except from (A) Surplus Cash (as defined in the HUD Regulatory Agreement), or (B) funds that are not derived from revenues of the Project, any proceeds of the Senior Note, any reserve or deposit made with the FHA Lender or any other party as required by HUD in connection with the Senior Loan Documents (collectively, "Non-Project Sources"), which Non-Project Sources include proceeds of the Collateral Payments. No claims or actions shall be made (or payable) under this Indenture against the Project, the FHA Lender, the proceeds of the Senior Note, or the assets of the Borrower, except for Surplus Cash of the Borrower and the Collateral Payments. In the event of any conflict between the provisions of (i) this Indenture or the other Bond Documents and (ii) the provisions of the Senior Loan Documents or the Program Obligations (as defined in the Senior Mortgage), the provisions of the Senior Loan Documents or the Program Obligations shall control. The

provisions of this Section shall control over any inconsistent provisions in this Indenture or the other Bond Documents.

(b) Any subsequent amendment to this Indenture or the Loan Agreement is subject to prior written approval of HUD (so long as the Project is subject to a mortgage insured or held by HUD). No amendment to this Indenture or the Loan Agreement shall conflict with the provisions of the Program Obligations.

(c) The Bond is not a debt of the United States of America, HUD, FHA, GNMA or any other agency or instrumentality of the federal government, and are not guaranteed by the full faith and credit of the United States or any agency or instrumentality thereof.

(d) There is no pledge hereunder or under the Loan Agreement of the gross revenues or any of the assets of the Project.

(e) Neither a default under this Indenture nor under the Loan Agreement shall constitute a default under the Senior Loan Documents related to the Project.

(f) Nothing contained herein or in the Loan Agreement shall inhibit or impair the right of FHA to require or agree to any amendment, change or modification of any Senior Loan Documents related to the Project for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said Senior Loan Documents so long as any such amendment, change or modification shall not adversely affect the payment terms of the Bond.

(g) None of the Issuer, the Trustee or the Holder has or shall be entitled to assert any claim against the Project, any reserves or deposits required by HUD in connection with the Project, or the rents or deposits or other income of the Project.

(h) Proceeds from any condemnation award or from the payment of a claim under any hazard insurance policy relating to the Project will not be payable to the Trustee, but will be payable in accordance with the Senior Loan Documents.

Section 13.12. Compliance with Americans with Disabilities Act. The Trustee shall be in full compliance with all federal and state laws, including those of the Americans with Disabilities Act, 42 U.S.C. 12101 et seq., and its implementing regulations and the American Disabilities Act Amendments Act (ADAAA) Pub. L. 110-325 and all subsequent amendments (the "ADA"). Under the ADA, the Trustee shall provide for reasonable accommodations to allow qualified individuals access to and participation in their programs, services and activities in accordance with the ADA. In addition, the Trustee shall not discriminate against individuals with disabilities nor against persons due to their relationship or association with a person with a disability. Any subcontract entered into by the Trustee, relating to this Indenture, to the extent allowed hereunder, shall be subject to the provisions of this Section.

Section 13.13. Business Tax Registration Certificate. Subject to any exemption available to it, the Trustee represents that it has obtained and presently holds the Business Tax

Registration Certificate(s) required by the Issuer's Business Tax Ordinance (Article 1, Chapter 2, section 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Indenture, the Trustee shall maintain, or obtain as necessary, all such Business Tax Registration Certificates required of it, subject to any exemption available to it, under said Ordinance and shall not allow any such Business Tax Registration Certificate to be revoked or suspended.

Section 13.14. Child Support Assignment Orders. This Indenture is subject to Section 10.10 of the Los Angeles Administrative Code, Child Support Assignment Orders Ordinance. Pursuant to this Ordinance, the Trustee certifies that: (1) it will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) the principal owner(s) of the Trustee are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) it will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230 et seq.; and (4) it will maintain such compliance throughout the term of this Indenture. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of the Trustee to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Trustee to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Trustee under the terms of this Indenture, subjecting the Trustee to the remedies provided herein where such failure shall continue for more than ninety (90) days after notice of such failure to the Trustee by the Issuer. Any subcontract entered into by the Trustee relating to this Indenture, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Trustee to obtain compliance of its subcontractors shall constitute a default by the Trustee under the terms of this Indenture, subjecting the Trustee to removal hereunder where such failure shall continue for more than ninety (90) days after notice of such failure to the Trustee by the Issuer. The Trustee shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. The Trustee hereby affirms that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

Section 13.15. Nondiscrimination and Affirmative Action. The Trustee shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the Issuer. Trustee shall not discriminate in its employment practices against any employee or applicant for employment denial of family and medical care leave; denial of pregnancy disability leave or reasonable accommodations against any employee or applicant for employment because of such person's race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief. The Trustee shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60). The Trustee shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The affirmative action program of the Trustee shall

include the mandatory contract provisions set forth in the Los Angeles Administrative Code Section 10.8.4, and said provisions are incorporated herein by this reference. The Trustee shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by the City. Any subcontract entered into by the Trustee relating to this Indenture, to the extent allowed hereunder, shall be subject to the provisions of this section. No person shall on the grounds of race, ancestry, color, citizenship, national origin, religion, sex, sexual orientation, gender identity/expression, age, marital status, familial status, domestic partner status, physical handicap, mental disability, medical condition, political affiliation or belief be excluded from participation in, be denied the benefit of, or be subjected to discrimination under this Indenture. For purposes of this Section, Title 24 Code of Federal Regulations Part 107 and Section 570.601(b) defines specific discriminatory actions that are prohibited and corrective action that shall be taken in a situation as defined therein.

Section 13.16. Conflict. Notwithstanding any provision herein or in the other Bond Documents to the contrary, in the event of any conflict or inconsistency between the terms of this Indenture and any of the other Bond Documents, the terms of this Indenture shall control for all purposes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the CITY OF LOS ANGELES has caused this Indenture to be signed in its name and [Wells Fargo Bank, National Association], in token of its acceptance of the trust created hereunder, and the Bondholder Representative have each caused this Indenture to be signed in its name, all as of the day and year first above written.

CITY OF LOS ANGELES, as Issuer

By: Los Angeles Housing Department

By _____
Authorized Officer

Approved as to form:

MICHAEL N. FEUER,
City Attorney

Deputy/Assistant City Attorney

[WELLS FARGO BANK, NATIONAL
ASSOCIATION], as Trustee

By _____
Authorized Officer

[Signature Page to Trust Indenture]

EXHIBIT A
FORM OF BOND

THIS BOND MAY BE OWNED ONLY BY A SOPHISTICATED INVESTOR (DEFINED AS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A OR AN INSTITUTIONAL ACCREDITED INVESTOR AS DEFINED IN RULE 501, EACH AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED) AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND, REPRESENTS THAT IT IS A SOPHISTICATED INVESTOR, AND ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS BOND IN WHOLE TO SOPHISTICATED INVESTORS IN ACCORDANCE WITH THE LIMITATIONS SET FORTH IN ARTICLE II OF THE INDENTURE HEREINAFTER DEFINED. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF LOS ANGELES IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM OR INTEREST ON THIS BOND.

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

CITY OF LOS ANGELES
MULTIFAMILY HOUSING REVENUE BOND
(HAZELTINE & WYANDOTTE APARTMENTS PROJECT)
SERIES 2013K

No. R-___

\$[10,381,000]

Dated Date	Maturity Date	Bond Coupon Rate	CUSIP No.
[December __, 2013]	[December __], 2015; provided that such date may be extended as described in the first paragraph below	Variable	544582[]

REGISTERED OWNER:
PRINCIPAL AMOUNT:

The CITY OF LOS ANGELES (the "Issuer"), a charter city and municipal corporation of the State of California, for value received, hereby promises to pay (but only out of the Pledged Revenues and other assets pledged under the Indenture (hereinafter defined)) to the Registered Owner specified above or registered assigns (subject to any right of prior redemption or tender),

on the Maturity Date specified above which Maturity Date shall be extended to [February __], 2016 (the "Extended Maturity Date") upon satisfaction of the Extension Conditions defined in the Indenture, the Principal Amount specified above, and to pay interest thereon, at the Variable Rate (as defined in the hereinafter defined Indenture), payable on the first calendar day of each month, commencing on the Closing Date, to the person whose name appears on the Bond Register as of the day next preceding any Interest Payment Date (a "Record Date") and to pay any other amounts as specified in the Indenture (hereinafter defined); provided however, that if the first calendar day of each month is not also a Business Day, then payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if such payment was made on originally scheduled payment date. All capitalized terms not otherwise defined in this Bond shall have the meaning ascribed thereto in the Indenture.

Principal of, and premium, if any, on this Bond are payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of [Wells Fargo Bank, National Association], as trustee (the "Trustee" and "Bond Registrar"), or its successor.

Interest on this Bond shall be computed as set forth in the Indenture on the basis of the actual number of days elapsed over a year consisting of 360-days. Interest on this Bond shall be payable in such coin or currency of the United States as at time of payment is legal tender for payment of private and public debts, at the designated payment office of the Trustee or its successor.

If a Bondholder so elects, any payment due to such Bondholder shall be made by electronic transfer of federal reserve funds to any account in the United States of America designated by such Bondholder if such Bondholder, at its expense, (a) so directs by written notice delivered to the Trustee at least ten Business Days before the date upon which such electronic transfer or other arrangement is to be made and (b) otherwise complies with the reasonable requirements of the Trustee.

The Bond is issued under and are equally and ratably secured by the Trust Indenture dated as of [December 1, 2013] (as amended and supplemented, the "Indenture"), between the Issuer and the Trustee.

This Bond is the duly authorized multifamily housing revenue bond issued in the maximum aggregate principal amount of \$[10,381,000] (the "Bond") under the laws of the State (as defined in the Indenture), and all future acts and laws supplemental thereto or amendatory thereof.

The proceeds from the Bond are to be used for the purpose of making a loan pursuant to the Loan Agreement dated as of [December 1, 2013] (the "Loan Agreement"), between the Issuer and Hazeltine & Wyandotte, LP (the "Borrower"), to finance the acquisition and rehabilitation of two multifamily housing facilities (collectively, the "Project") located in Los Angeles, California. The Borrower's payment obligations under the Loan Agreement will be evidenced by a promissory note (the "Note"). The Note will be secured by the Collateral Payments.

Reference is hereby made to the Indenture and to all amendments and supplements thereto for a description of the property pledged and assigned to the Trustee and of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the terms on which this Bond is issued and secured, the manner in which interest is computed on this Bond, mandatory and optional tender rights and provisions, mandatory and optional redemption rights and tender provisions, acceleration, the rights of the Bondholder and the provisions for defeasance of such rights.

This Bond is subject to optional and mandatory redemption in whole or in part, on the dates, under the terms and conditions and at the redemption prices set forth in the Indenture, all of the provisions of which are, by this reference, incorporated into this Bond. Notice of redemption shall be given in the manner set forth in the Indenture.

THIS BOND IS NOT AN OBLIGATION, EITHER GENERAL OR SPECIAL, AND DOES NOT CONSTITUTE A PLEDGE OF THE GENERAL CREDIT OR TAXING POWER, OF THE CITY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, BUT IS PAYABLE SOLELY FROM THE PROJECT REVENUES AND PROPERTY PLEDGED THEREFOR IN THE INDENTURE, AND NEITHER THE CITY OF LOS ANGELES, THE STATE OF CALIFORNIA NOR ANY SUCH POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON.

NO MEMBER, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THIS BOND, SHALL BE LIABLE PERSONALLY ON THIS BOND OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BOND. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS BOND, OR FOR ANY CLAIM BASED ON THE BOND, OR OTHERWISE IN RESPECT OF THIS BOND, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THIS BOND AND AS PART OF THE CONSIDERATION FOR THE ISSUE OF THE BOND, EXPRESSLY WAIVED AND RELEASED.

THIS BOND, TOGETHER WITH INTEREST THEREON, AND REDEMPTION PREMIUM, IF ANY, IS A SPECIAL, LIMITED OBLIGATION OF THE ISSUER SECURED BY THE TRUST ESTATE, IS AND SHALL ALWAYS BE PAYABLE SOLELY FROM THE PLEDGED REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE AND IS AND SHALL ALWAYS BE A VALID CLAIM OF THE OWNER THEREOF ONLY AGAINST THE PLEDGED REVENUES AND INCOME DERIVED FROM THE TRUST ESTATE, WHICH PLEDGED REVENUES AND INCOME SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THIS BOND, EXCEPT AS MAY BE EXPRESSLY AUTHORIZED OTHERWISE IN THIS INDENTURE AND IN THE LOAN AGREEMENT.

THIS BOND AND THE INTEREST THEREON IS A LIMITED OBLIGATION OF THE ISSUER PAYABLE EXCLUSIVELY FROM PLEDGED REVENUES AND RECEIPTS UNDER THE INDENTURE. THIS BOND DOES NOT CONSTITUTE A DEBT OF THE ISSUER, OR OF THE STATE OF CALIFORNIA, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, OR OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF. THIS BOND SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE, BUT NOT OTHERWISE.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT OR FUTURE OFFICER, BOARD MEMBER, EMPLOYEE OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, BOARD MEMBERS, EMPLOYEES OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THIS BOND.

THE BOND HAS BEEN ISSUED PURSUANT TO THE LAW AND IN ACCORDANCE WITH THE ACT.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

By its purchase of this Bond, the Registered Owner hereof agrees to the appointment of the Bondholder Representative as provided in the Indenture and authorizes the Bondholder Representative to exercise such rights and remedies afforded to the Bondholder Representative on behalf of the Bondholder as provided in the Bond Documents.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond may be exchanged, and its transfer may be effected, only by the Registered Owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, including, without limitation, the delivery of an Investor Letter to the extent required under the Indenture. Upon exchange or registration of such transfer a new registered bond or Bond of the same series, maturity and interest rate and of Authorized Denomination or

Authorized Denominations for the same aggregate principal amount will be issued in exchange therefor.

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

All acts, conditions and things required by the laws of the Issuer to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of the Bond do exist, have happened and have been performed in due time, form and manner as required by law.

This Bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until the Bond Registrar shall have executed the Certificate of Authentication appearing hereon.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Bond is duly authorized by the Law and the Act; that all acts, conditions and things required to exist and to be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done and performed and have happened in regular and due time, form and manner as required by the Law and the Act; and that all acts, conditions and things necessary to be done or performed by the Issuer or to have happened precedent to or in the execution and delivery of the Indenture have been done and performed and have happened in regular and due form as required by the Law and the Act.

The Issuer has caused this Bond to be executed in its name by the facsimile signature of its Mayor under its official seal, or a facsimile, and attested by the facsimile signature of its City Treasurer all as of the date first written above.

(SEAL)

CITY OF LOS ANGELES

City Treasurer

By _____
Mayor

CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is the Bond referred to in the within mentioned Indenture.

Date of Authentication: _____

[WELLS FARGO BANK, NATIONAL
ASSOCIATION], as Trustee

By _____
Name _____
Authorized Signatory

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power or substitution in the premises.

Date:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a signature guarantor institution that is a participant in a nationally recognized signature guarantor program.

Signature

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner of the within Bond as it appears on the face hereof in every particular, without alteration or enlargement or any change whatever, and the Social Security number or federal employer identification must be supplied.

EXHIBIT B

[RESERVED]

EXHIBIT C

FORM OF NOTICE OF APPOINTMENT OF
BONDHOLDER REPRESENTATIVE

Wells Fargo Bank, National Association
MAC A0119-181
333 Market Street, 18th Floor
San Francisco, California 94105
Attention: Corporate Trust Services

City of Los Angeles
Los Angeles Housing Department
8th Floor
1200 West 7th Street
Los Angeles, CA 90017
Attention: Supervisor, Affordable Housing
Bond Program

Hazeltine & Wyandotte, LP
% InSite Development, LLC
[ADDRESS]

Attention: [_____]

Re: \$[10,381,000] City of Los Angeles Multifamily Housing Revenue Bond
(Hazeltine & Wyandotte Apartments Project), Series 2013K

Ladies and Gentlemen:

The undersigned is a Majority of Holders of the above-referenced Bond (the "Bond"), as such term is defined in the Trust Indenture, dated as of [December 1, 2013] (the "Indenture"), between City of Los Angeles(the "Issuer") and [Wells Fargo Bank, National Association], as trustee (the "Trustee"). Pursuant to Section 10.13(b) of the Indenture you are hereby notified that effective immediately upon receipt of this notice by the Trustee, the Bondholder Representative (as defined in the Indenture) appointed under Section 10.13(b) of the Indenture shall be [insert successor Bondholder Representative]. The person or entity previously appointed as Bondholder Representative shall, upon the effectiveness of this notice, no longer have any further rights or obligations as Bondholder Representative.

The following individual or individuals shall have authority to execute any consent, waiver, approval, direction or other instrument on behalf of the Bondholder Representative and the signature(s) set forth next to his/her (their) name(s) is (are) his/her (their) true and correct signature(s).

NAME

SIGNATURE

Additional individuals may be given such authority by written notice to you from the Bondholder Representative or from a Majority of Holders.

This notice is dated as of the _____ day of _____, _____.

BONDHOLDER

By _____
Name _____
Authorized Signatory

EXHIBIT D

FORM OF DISBURSEMENT REQUEST

To: [Wells Fargo Bank, National Association], as trustee (the "Trustee") under the Trust Indenture dated as of [December 1, 2013] (the "Indenture"), between City of Los Angeles and the Trustee.

1. You are requested to disburse funds from the Project Fund pursuant to Section 6.07 of the Indenture in the amount(s), to the person(s) and for the purpose(s) set forth on Schedule I attached hereto and incorporated herein by reference. An invoice or other appropriate evidence of the obligations described on Schedule I is attached hereto.

2. The undersigned certifies that:

(a) there has been received no notice (i) of any lien, right to lien or attachment upon, or claim affecting the right of the payee to receive payment of, any of the moneys payable under such requisition to any of the persons, firms or corporations named therein, and (ii) that any materials, supplies or equipment covered by such requisition are subject to any lien or security interest, or if any notice of any such lien, attachment, claim or security interest has been received, such lien, attachment, claim or security interest has been released, discharged, insured or bonded over or will be released, discharged, insured or bonded over upon payment of the requisition;

(b) such requisition contains no items representing payment on account of any percentage entitled to be retained at the date of the certificate;

(c) the obligation stated on the requisition has been incurred in or about the acquisition, construction, renovation or equipping of the Project, each item is a proper charge against the Project Fund, and the obligation has not been the basis for a prior requisition that has been paid;

(d) such requisition contains no items representing any Costs of Issuance or any other amount constituting an issuance cost under Section 147(g) of the Code;

(e) not less than 95% of the sum of: (i) the amounts requisitioned by this Requisition from the Bond Proceeds Account of the Project Fund plus (ii) all amounts previously disbursed from the Bond Proceeds Account of the Project Fund, have been or will be applied by the Borrower to pay Qualified Project Costs;

(f) as of the date hereof, to the undersigned's knowledge, after due inquiry, no event or condition has happened or is happening or exists that constitutes, or that with notice or lapse of time or both, would constitute, an Event of Default under the Indenture or under the Loan Agreement;

(g) such requisition complies with all applicable requirements of the Regulatory Agreement including, without limitation, Section 7(j) thereof, as well as with all applicable requirements of the Loan Agreement and the Tax Certificate; and

(h) attached as Schedule I to this Requisition is an exhibit that allocates the amount requested hereby between the Bond Proceeds Account and the Capitalized Interest Account.

Dated: _____

HAZELTINE & WYANDOTTE, LP, a California limited partnership, as Borrower

By: Housing Corporation of America, a Utah nonprofit corporation, its managing general partner

By: _____
Ronald H. Olson, President

By: InSite H&W, LLC, a California limited liability company, its administrative general partner

By: _____
Steven Eglash, Manager

Approved By Bondholder Representative:
PNC BANK, NATIONAL ASSOCIATION

By _____
Name _____
Authorized Representative

Approved By FHA Lender:

By _____
Name _____
Authorized Representative

Approved by the Issuer:

For Issuer consent requirements,
see Section 6.07(a) of the Indenture

CITY OF LOS ANGELES

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT E
FORM OF INVESTOR LETTER

City of Los Angeles
Los Angeles, California

Kutak Rock LLP
Omaha, Nebraska

[Wells Fargo Bank, National Association
Los Angeles, California]

\$10,381,000
City of Los Angeles
Multifamily Housing Revenue Bond
(Hazeltine & Wyandotte Apartments)
Series 2013K

Ladies and Gentlemen:

The undersigned (the "Investor") hereby represents and warrants to you as follows:

1. The Investor proposes to purchase all of the aggregate principal amount of the above-captioned bond (the "Bond") issued pursuant to that certain Trust Indenture dated as of [August] 1, 2013 (the "Indenture"), by and among the City of Los Angeles, California (the "Issuer") and [Wells Fargo Bank, National Association], as Trustee. The Investor understands that the Bond is not rated by any securities rating agency and is secured only by the Pledged Revenues and other funds pledged under the Indenture and will only be sold to the Investor with the above-addressed parties relying upon the representations and warranties of the Investor set forth herein. The Investor acknowledges that no offering document has been prepared in connection with the issuance and sale of the Bond. The Investor has requested and received all materials which the Investor has deemed relevant in connection with its purchase of the Bond (the "Offering Information"). The Investor has reviewed the documents executed in conjunction with the issuance of the Bond, including, without limitation, the Indenture and the Loan Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Indenture.

2. The Investor hereby waives the requirement of any "due diligence investigation or inquiry" by the Issuer, by each official of the Issuer, by each employee of the Issuer, by each member of the governing board of the Issuer, and by counsel to the Issuer, the Trustee, counsel to the Trustee, the Bondholder Representative, counsel to the Bondholder Representative and Bond Counsel in connection with the authorization, execution and delivery of the Bond and Investor's purchase of the Bond. The Investor recognizes and agrees that the Issuer, by each official of the Issuer, each employee of the Issuer, each member of the governing board of the Issuer, counsel to the Issuer, the Trustee, counsel to the Trustee, the Bondholder Representative,

counsel to the Bondholder Representative and Bond Counsel have made no representations or statements (expressed or implied) with respect to the accuracy or completeness of any of the materials reviewed by the Investor in connection with the Investor's purchase of the Bond. In making an investment decision, the Investor is relying upon its own examination of the Issuer, the Borrower, the Project and the terms of the offering.

3. The Investor has been provided an opportunity to ask questions of, and the Investor has received answers from, representatives of the Issuer and the Borrower regarding the terms and conditions of the Bond, and the Investor has obtained all additional information requested by it in connection with the Bond.

4. The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bond in particular, and is capable of evaluating the merits and risks involved in an investment in the Bond. The Investor is able to bear the economic risk of, and an entire loss of, an investment in the Bond.

5. The Investor is purchasing the Bond solely for its own account for investment purposes and has no present intention to resell or distribute the Bond, provided that the Investor reserves the right to transfer or dispose of the Bond, at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 6 through 8 of this Letter. The Investor hereby agrees that the Bond may only be transferred in whole and in accordance with the Indenture, including Article II thereof, to a single investor, which must execute and deliver to the parties addressed above a form of this Investor's Letter.

6. The Investor agrees that it will only offer, sell, pledge, transfer or exchange the Bond (or any legal or beneficial interest therein) (i) in accordance with an available exemption from the registration requirements of Section 5 of the Securities Act of 1933, as amended (the "1933 Act"), (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the transfer restrictions set forth in the Bond and the Indenture. The Investor acknowledges that written consent of the Issuer is required in order to transfer the Bond. The Investor further agrees that the Bond will not be transferred to or held in a pool, trust or similar arrangement and that it will not sell any participating interest in the Bond without the prior written consent of the Issuer.

7. The Investor is a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A") or an institutional "accredited investor" as defined in Rule 501 promulgated under the Securities Act of 1933 as amended ("Rule 501"); and understands that the Bond may be offered, resold, pledged or transferred only in whole and only to a person who is a "qualified institutional buyer," as defined in Rule 144A or an institutional "accredited investor" as defined in Rule 501, in compliance with Rule 144A.

8. If the Investor sells the Bond (or any legal or beneficial interest therein), the Investor or its agent will obtain for the benefit of each of you from any subsequent purchaser an Investor Letter in the form of this Letter or such other materials as are required by the Bond and the Indenture to effect such sale and purchase. The Investor understands and agrees that the Trustee is not authorized to register any transfer of the Bond prior to receipt of such Investor Letter and the written consent of the Issuer.

9. Neither the Bondholder Representative, the Trustee, Bond Counsel, counsel to the Issuer, the Issuer, its governing body, or any of its employees or agents will have any responsibility to the Investor for the accuracy or completeness of information obtained by the Investor from any source regarding the Project, the Issuer, the Borrower or their financial conditions or regarding the Bond, the provisions for payment thereof, or the sufficiency of any security therefor, including, without limitation, any information specifically provided by any of such parties contained in the Offering Information. The Investor acknowledges that, as between Investor and all of such parties: (a) the Investor has assumed responsibility for obtaining such information and making such review as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bond; and (b) the Offering Information and any additional information specifically requested from the Issuer or the Borrower and provided to the Investor prior to closing constitute all the information and review, with the investigation made by Investor (including specifically the Investor's investigation of the Issuer, the Project and the Borrower) prior to its purchase of the Bond, that Investor has deemed necessary or desirable in connection with its decision to purchase the Bond.

10. The Investor understands that (a) the Bond has not been registered with any federal or state securities agency or commission, and (b) no credit rating has been sought or obtained with respect to the Bond, and the Investor acknowledges that the Bond is a speculative investment and that there is a high degree of risk in such investment.

11. The Investor acknowledges that the Bond is a limited obligation of the Issuer, payable solely from the revenues or other amounts provided by or at the direction of the Borrower, and is not an obligation payable from the general revenues or other funds of the Issuer, the State of California or any political subdivision of the State of California. The Investor acknowledges that the Issuer is issuing the Bond on a conduit, nonrecourse basis, and has no continuing obligations with respect thereto except as expressly set forth in the Indenture.

12. The Investor has the authority to purchase the Bond and to execute this letter and other documents and instruments required to be executed by the Investor in connection with its purchase of the Bond. The individual who is executing this letter on behalf of the undersigned is a duly appointed, qualified and acting officer of the Investor and authorized to cause the Investor to make the certifications, representations and warranties contained herein by the execution of this letter on behalf of the Investor.

13. The Investor acknowledges that no offering document has been produced in connection with the issuance or sale of the Bond.

14. The Investor agrees to indemnify and hold harmless the Issuer, the Issuer's officials, officers, directors, employees, agents, attorneys, accountants, advisors, consultants, servants and the members of the governing board of the Issuer past, present and future with respect to any claim asserted against any of them that is based upon the Investor's sale, transfer or other disposition of its interests in the Bond in violation of the provisions hereof or of the Indenture or any inaccuracy in any statement made by the Investor in this letter.

Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Indenture.

Very truly yours,

[_____], as Bond Purchaser

By: _____

Name:

Title:

