

KUTAK ROCK LLP
06/18/15

INDENTURE OF TRUST

between

CITY OF LOS ANGELES,
as Issuer

and

[TRUSTEE],
as Trustee

relating to

[\$13,600,000]
City of Los Angeles
Multifamily Housing Revenue Bond
(Leaster Apartments)
Series 2015C

Dated as of [_____] 1, 2015

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS, EXHIBITS AND GENERAL PROVISIONS

Section 1.01.	Definitions.....	3
Section 1.02.	Rules of Interpretation	16

ARTICLE II THE BOND

Section 2.01.	Authorized Amount and Form of Bond	17
Section 2.02.	Issuance of Bond.....	17
Section 2.03.	Execution	18
Section 2.04.	Authentication.....	19
Section 2.05.	Conditions Precedent to the Delivery of Initial Bond.....	19
Section 2.06.	Drawdown Bond Provisions	20
Section 2.07.	Mutilated, Lost or Destroyed Bond	20
Section 2.08.	[Reserved].....	21
Section 2.09.	Ownership of Bond.....	21
Section 2.10.	[Reserved].....	21
Section 2.11.	Registration, Transfer and Exchange of Registered Bond.....	21
Section 2.12.	Nonpresentment of the Bond	22
Section 2.13.	[Reserved].....	22
Section 2.14.	Destruction of Bond.....	22
Section 2.15.	Restrictions on Transfer.....	23

ARTICLE III REDEMPTION OF THE BOND BEFORE MATURITY

Section 3.01.	Redemption Provisions	23
Section 3.02.	Notice of Redemption.....	24
Section 3.03.	Cancellation	25
Section 3.04.	Method of Redemption	25

ARTICLE IV GENERAL COVENANTS

Section 4.01.	Payment of Principal, Premium and Interest	25
Section 4.02.	Performance of Covenants.....	26

Section 4.03.	Instruments of Further Assurance	26
Section 4.04.	Filing of Continuation Statements	27
Section 4.05.	Books and Records	27
Section 4.06.	Bondholder’s Access to Bond Register	27
Section 4.07.	Rights Under Loan Agreement	27
Section 4.08.	Rights Under Mortgage.....	27
Section 4.09.	Limitations on Liability	28
Section 4.10.	Request and Indemnification	29

ARTICLE V
FUNDS AND ACCOUNTS

Section 5.01.	Trust Funds Pledged and Assigned to the Trustee.....	29
Section 5.02.	Project Fund; Disbursement of Project Funds	29
Section 5.03.	Revenue Fund	31
Section 5.04.	Bond Fund.....	31
Section 5.05.	[Reserved].....	32
Section 5.06.	Deposit of Funds With Paying Agent.....	32
Section 5.07.	Rebate Fund	32
Section 5.08.	[Reserved].....	33
Section 5.09.	[Reserved].....	33
Section 5.10.	Costs of Issuance Fund	33
Section 5.11.	[Reserved].....	33
Section 5.12.	Interest Earned on Funds	34
Section 5.13.	Final Balances.....	34
Section 5.14.	Issuer’s Fees.....	34

ARTICLE VI
INVESTMENTS

Section 6.01.	Investments by Trustee	34
Section 6.02.	Computation of Balances in Funds.....	35
Section 6.03.	Downgrade of Investments	35

ARTICLE VII
DISCHARGE OF LIEN

Section 7.01.	Payment of Bond; Satisfaction, Defeasance and Discharge of Bond and Obligation to Bondholder.....	36
---------------	--	----

Section 7.02.	Cancellation of Surrendered Bond.....	38
Section 7.03.	Payment of Bond.....	38
Section 7.04.	Application of Deposited Money.....	38
Section 7.05.	Survival of Certain Provisions.....	38

ARTICLE VIII

DEFAULT AND REMEDIES.....	38
---------------------------	----

ARTICLE IX
THE TRUSTEE

Section 9.01.	Acceptance of the Trustee.....	38
Section 9.02.	Trustee’s Fees, Charges and Expenses.....	41
Section 9.03.	Notice to Holders of Default.....	42
Section 9.04.	Intervention by Trustee.....	42
Section 9.05.	Successor Trustee.....	42
Section 9.06.	Resignation by Trustee.....	42
Section 9.07.	Removal of Trustee.....	43
Section 9.08.	Appointment of Successor Trustee.....	43
Section 9.09.	Acceptance by Successor Trustees.....	43
Section 9.10.	Right of Trustee To Pay Taxes and Other Charges.....	43
Section 9.11.	Trustee Protected in Relying Upon Resolutions.....	44
Section 9.12.	Successor Trustee as Custodian of Funds and Paying Agent.....	44
Section 9.13.	Right of Bondowner Representative To Service the Loan.....	44
Section 9.14.	Co-Trustee.....	44
Section 9.15.	Obligations as to Reporting.....	46
Section 9.16.	Appointment of Bond Registrar and Paying Agent.....	46
Section 9.17.	Successor Paying Agent or Bond Registrar.....	46
Section 9.18.	Confirmation of the Trustee.....	46

ARTICLE X
SUPPLEMENTAL INDENTURES

Section 10.01.	Supplemental Indentures.....	46
Section 10.02.	Rights of Borrower.....	46
Section 10.03.	Rights of Trustee.....	47
Section 10.04.	Opinion of Bond Counsel.....	47

ARTICLE XI
AMENDMENTS TO LOAN DOCUMENTS

Section 11.01.	Amendments	47
Section 11.02.	[Reserved]	47
Section 11.03.	Opinion of Bond Counsel	47
Section 11.04.	Rights of Trustee	47

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 12.01.	Consent of Holder	48
Section 12.02.	Rights Under Indenture	48
Section 12.03.	Severability	48
Section 12.04.	Notices	48
Section 12.05.	Required Approvals	50
Section 12.06.	Counterparts	50
Section 12.07.	Limitation of Liability of Issuer and Its Officers	50
Section 12.08.	Nondiscrimination and Affirmative Action	51
Section 12.09.	Business Tax Registration Certificate	52
Section 12.10.	Child Support Assignment Orders	52
Section 12.11.	Americans with Disabilities Act	52
Section 12.12.	Complete Agreement	53

EXHIBIT A	FORM OF REQUISITION CERTIFICATE (PROJECT FUND)
EXHIBIT B	FORM OF BOND
EXHIBIT C	INVESTOR’S LETTER
EXHIBIT D	FORM OF REQUISITION CERTIFICATE (COSTS OF ISSUANCE FUND)
EXHIBIT E	FORM OF RESPONSIBLE BANKING ORDINANCE CERTIFICATE

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this “Indenture”) dated as of [_____] 1, 2015 by and between the **CITY OF LOS ANGELES**, a charter city and municipal corporation, organized and existing under the laws of the State of California (the “Issuer”), and **[TRUSTEE]**, a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out, with a corporate trust office in Los Angeles, California, as trustee (together with its successors and assigns, the “Trustee”).

WITNESSETH:

WHEREAS, 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 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, as amended (the “Act”), empowers the Issuer to issue bonds and other evidence of indebtedness to finance the acquisition, rehabilitation and equipping of multifamily rental housing; and

WHEREAS, the Act authorizes the Issuer: (a) to make loans to any person to provide financing for rental residential developments, and intended to be occupied in part by persons of low and moderate income, as determined by the Issuer; (b) to issue its revenue bonds for the purpose of obtaining moneys to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the specific revenues, receipts or resources of the Issuer to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, on January 13, 2015, the Issuer indicated its intent to provide for the issuance of revenue bonds to finance a portion of the acquisition, rehabilitation and equipping of Leaster Apartments, a scattered site multifamily residential rental housing project located in the City of Los Angeles at: 825 Green Avenue; 911 East 120th Street; and 1422-1430 Miramar Street, each in Los Angeles, California (collectively herein, the “Project”) and the Issuer’s City Council subsequently adopted a resolution (the “Resolution”) authorizing the issuance of a bond for such purpose; and

WHEREAS, in furtherance of the purposes of the Law, the Act and the Resolution, and as a part of the Issuer’s program of financing housing, the Issuer deems it desirable and in keeping with its purposes to issue its Multifamily Housing Revenue Bond (Leaster Apartments) Series 2015C (the “Bond”) to fund a loan (the “Loan”) to Leaster Apartments, L.P. (the “Borrower”), as evidenced by a Promissory Note, in the initial maximum principal amount of \$[13,600,000] relating to the Bond (the “Note”) in order to finance the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, under the terms of a Loan Agreement dated as of [_____] 1, 2015 (the “Loan Agreement”), the Issuer has agreed to make the Loan to the Borrower; and the Borrower

has agreed to the repayment of the sums borrowed pursuant thereto and has executed or caused to be executed the Mortgage and the Loan Documents (as such terms are hereinafter defined) with respect to the Project to secure, among other things, its payment and other obligations under the Loan Agreement; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Bond have been in all respects duly and validly authorized by the Issuer; and

WHEREAS, terms not otherwise defined in the recitals or granting clauses hereof shall have the meanings as hereinafter defined; and

WHEREAS, all things necessary to make the Bond, when issued as provided in this Indenture and authenticated by the Trustee, a valid, binding and legal limited obligation of the Issuer according to the import thereof, and to constitute this Indenture a valid contract for the security of the Bond, have been done and performed; and the execution and delivery of this Indenture, and the execution, delivery and issuance of the Bond, subject to the terms hereof, have in all respects been duly authorized; and

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

The Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bond by the Holder thereof, in order to secure the payment of the principal and premium, if any, of and interest on the Bond according to its tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bond, does hereby grant, assign, transfer in trust, and pledge to the Trustee, and to its successors in trust, and to them and their assigns, the following (excepting, however, the Unassigned Issuer's Rights):

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer (excluding Unassigned Issuer's Rights) in and to the Loan Agreement and the Note, including, but not limited to, all sums (including Project Revenues) which the Issuer is entitled to receive from the Borrower pursuant to the Loan Agreement and the Note (but excluding Unassigned Issuer's Rights), all moneys and investments held in Funds and accounts held by the Trustee under this Indenture (excluding moneys and investments held in the Rebate Fund and rebatable arbitrage required to be deposited in the Rebate Fund), and all other sums required to be deposited in the Funds and accounts in accordance with Article V of this Indenture;

GRANTING CLAUSE SECOND

All the Issuer's right, title and interest in all property mortgaged, pledged and assigned under the Mortgage and the Loan Documents to secure the Bond, all rights, remedies and amounts payable under the Note and any and all other property of every name and nature which may from time to time hereafter by delivery or by writing of any kind be subjected to the lien

hereof by the Issuer or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same as additional security hereunder subject to the terms hereof; and

GRANTING CLAUSE THIRD

The earnings derived from the investment of any of the foregoing sums (excluding moneys and investments held in the Rebate Fund and rebatable arbitrage required to be deposited in the Rebate Fund) as provided herein.

TO HAVE AND TO HOLD all the same (herein called the “Trust Estate”) with all privileges and appurtenances hereby granted and assigned, or agreed or intended so to be, to the Trustee and its successors in trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit, security and protection of the Holder from time to time of the Bond issued under and secured by this Indenture, all for the uses and purposes and upon the terms, agreements and conditions set forth herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or provide fully for payment as herein provided of the principal of the Bond and the interest due or to become due thereon (together with premium, if any), at the time and in the manner set forth in the Bond according to the true intent and meaning thereof, and shall make the payments into the Bond Fund as required hereby or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient for payment of the entire amount due or to become due thereon as herein provided, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall cease and terminate, except as otherwise provided herein.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the Bond issued and secured hereunder is to be issued, authenticated and delivered and all payments, revenues, income and funds hereby pledged and assigned, are subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the holder and owner of the Bond, as follows:

ARTICLE I

DEFINITIONS, EXHIBITS AND GENERAL PROVISIONS

Section 1.01. Definitions. In this Indenture the following terms have the following meanings unless the context hereof clearly requires otherwise, and any other terms defined in the Loan Documents shall have the same meanings when used herein as assigned them in the Loan Documents unless the context or use thereof indicates another or different meaning or intent:

“*Act*” means Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as supplemented and amended to the Closing Date.

“*Act of Bankruptcy*” means any of the following events:

(a) The Borrower or the Issuer shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of the Borrower or the Issuer or of all or a substantial part of the property of the Borrower or the Issuer, (ii) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect) or (iii) file a petition with respect to itself seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(b) A proceeding or case shall be commenced without the application or consent of the Borrower or the Issuer, as the case may be, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up or the composition or adjustment of debts of the Borrower or the Issuer, (ii) the appointment of a trustee, receiver, custodian or liquidator of the Borrower or the Issuer or of all or any substantial part of the assets of the Borrower or the Issuer or (iii) similar relief in respect of the Borrower or the Issuer under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts and such proceeding or case shall not be dismissed within 60 days of such filing.

For purposes of this Indenture and the Loan Agreement, an Act of Bankruptcy shall be deemed dismissed only if (A) the petition is dismissed by order of a court of competent jurisdiction and no further rights exist from such order and (B) the Borrower or the Issuer, as the case may be, notifies the Trustee that such a dismissal has occurred.

“*Additional Charges*” means payments required to be paid by the Borrower to the Trustee pursuant to Section 3.28 of the Loan Agreement.

“*Arbitrage Consultant*” or “*Rebate Consultant*” means any accountant, law firm or consultant experienced in the calculation of arbitrage rebate selected by the Borrower and approved by the Issuer.

“*Architect*” means, Birba Group Architects, P.C., or any other architect for the Project selected by the Borrower and approved by the Bondowner Representative.

“*Architectural Contract*” means that certain [Standard Form of Agreement AIA Document B101-2007] dated [_____, ____] between Owner and Architect, as it may be amended from time to time after receipt of the written consent of the Bondowner Representative.

“*Assignment*” means that Assignment dated as of [_____] 1, 2015 by the Borrower in favor of the Bondowner Representative.

“*Assignment of Housing Assistance Payments Contract*” means that certain Assignment of Housing Assistance Payments Contract dated as of [_____] 1, 2015 by the Borrower in favor of the Bondowner Representative.

“Authorized Attesting Officer” means the City Treasurer, Interim City Treasurer or Deputy 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 interim, assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Borrower Representative” means, with respect to the Borrower, any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer, the Bondowner Representative and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower (including any successor or assign) if the Borrower is a general partnership or a limited partnership, any authorized managing member of the Borrower (including any successor or assign) if the Borrower is a limited liability company, or by any authorized officer of the Borrower (including any successor or assign) if the Borrower is a corporation, which certificate may designate an alternate or alternates, or, in the event that such term shall refer to successors or assigns of the Borrower, any authorized general partner if the successor or assignee is a general partnership or a limited partnership, any authorized managing member if the successor or assignee is a limited liability company, or any authorized officer if the successor or the assignee is a corporation. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it and with the Issuer and the Bondowner Representative a written certificate identifying a different person or persons to act in such capacity.

“Authorized Issuer Representative” shall mean the Mayor or the General Manager, any Interim General Manager, any Assistant General Manager, any Acting General Manager or any Interim Assistant General Manager, the Executive Officer or the Director or Acting Director, Finance and Development Division of the Los Angeles Housing and Community Investment 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 or the General Manager or any Acting General Manager or any Interim General Manager or any Assistant General Manager or Interim Assistant General Manager, the Executive Officer or Director, or Acting Director, Finance and Development Division of the Los Angeles Housing and Community Investment Department and contains the specimen signature of such other officer or employee of the Issuer. The Trustee and Borrower may conclusively presume that any of the aforementioned officials or a person designated in a written certificate filed with it as an Authorized Issuer Representative is an Authorized Issuer Representative until such time as the Issuer files with the Borrower and Trustee a written certificate identifying a different person or persons to act in such capacity.

“Bank” means BBCN Bank, a California banking corporation, or its successors and assigns.

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978, as amended, or any similar or succeeding federal bankruptcy law.

“*Basic Payments*” means the payments of principal, interest and premium required to be made by the Borrower pursuant to the Note as calculated by the Bondowner Representative.

“*Bond*” means the Issuer’s Multifamily Housing Revenue Bond (Leaster Apartments) Series 2015C issued pursuant to this Indenture.

“*Bond Closing*” means the date on which there is delivery by the Issuer of, and payment of the initial drawdown amount with respect to, the Bond.

“*Bond Counsel*” means any bond counsel firm experienced in tax-exempt private activity bond financing selected by the Issuer.

“*Bond Documents*” means this Indenture, the Loan Agreement, the Regulatory Agreement and the Tax Certificate.

“*Bond Fund*” means the Fund created by Section 5.04 of this Indenture.

“*Bondholder*,” “*Bondowner*” or “*Holder*” means the person in whose name the Bond is registered in the Bond Register.

“*Bondowner Representative*” means (a) the Bank or any affiliate of the Bank (or any successor to the Bank, whether by merger, acquisition of assets or otherwise), so long as the Bank or such affiliate owns the Bond and (b) if neither the Bank nor any affiliate of the Bank (or any such successor) owns the Bond, then the owner of the Bond or a person appointed to be the Bondowner Representative by such Bondholder.

“*Bond Register*” means the bond register maintained by the Bond Registrar pursuant to Section 2.11 of this Indenture.

“*Bond Registrar*” means [TRUSTEE] and any successor thereto appointed, qualified and then acting as such under the provisions of this Indenture.

“*Bond Year*” means the one-year period beginning on [_____] 1 (or, in the case of the initial Bond Year, on the Closing Date) and ending on the next succeeding [_____] provided that the first Bond Year shall begin on the Closing Date and end on [_____] 2016.

“*Borrower*” means Leaster Apartments, L.P., a California limited partnership, authorized to do business in the State, its successors and assigns, and any surviving, resulting or transferee entity which may assume its obligations under the Loan Documents.

“*Business Day*” means any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Trustee and the Bond Registrar are located, are authorized by law or executive order to close.

“*Closing Date*” means [_____] 2015.

“*Code*” or “*Internal Revenue Code*” means the Internal Revenue Code of 1986, 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).

“*Completion Date*” means the date shown as the Completion Date in Exhibit C to the Loan Agreement, or such later date as the Bondowner Representative approves.

“*Computation Year*” means each one year (except in the case of the initial Computation Year) period ending on [_____], 2016 and each anniversary thereof.

“*Condemnation*” or the phrase “*eminent domain*” as used herein shall include the taking or requisition by Governmental Authority or by a person, firm or corporation acting under governmental authority and a conveyance made under threat of such taking or requisition, and “*Condemnation Award*” shall mean payment for property condemned or conveyed under threat of Condemnation.

“*Costs of Issuance*” means, with respect to the Bond, all expenses incurred in connection with the authorization, sale, issuance and delivery of the Bond, including, without limitation, counsel fees (including Bond Counsel, Trustee’s Counsel and Issuer’s counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bond), Issuer’s costs, financial advisory fees and accountant fees related to issuance of the Bond, initial Trustee, Registrar and Paying Agent fees, title insurance fees, survey fees and recording and filing fees, including any applicable documentary stamp taxes, intangible tax and the mortgage registration tax.

“*Costs of Issuance Fund*” means the fund created by Section 5.10 of this Indenture.

“*Dated Date*” the initial date upon which the Bond is issued.

“*Debt Service on the Bond*” means the interest amounts and principal amounts payable by the Borrower pursuant to the Loan Agreement and the Note sufficient to pay all principal of, and interest as and when due on, the Bond.

“*Default Rate*” means five percent (5%) per annum in excess of the interest rate borne by the Bond from time to time but in no case in excess of the Maximum Rate.

“*Defeasance Collateral*” shall have the meaning set forth in Section 7.01 of this Indenture.

“*Determination of Taxability*” means a final judgment or order of a court of original jurisdiction, a final order of any other court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Bond (other than interest for a period during which the Bond is held by a “substantial user” of any facility financed with the proceeds of the Bond or a “related person,” as such terms are used in Section 147(a) of the Code) is not excludable from the gross income of the owners thereof for federal income tax purposes. With respect to the foregoing, a judgment or order of a court or a

ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed and the time for filing such appeal or action has expired.

“*Disbursed Amount*” means the portion of the Loan and the Bond funded and Outstanding from time to time, as indicated on the Bond and in the records of the Trustee.

“*Discharge Date*” means the date on which all Outstanding principal of the Bond is discharged under Article VII of this Indenture.

“*Environmental Indemnity Agreement*” means that Certificate and Indemnity Agreement Regarding Hazardous Substances entered into as of [_____] 1, 2015, by the Borrower and Guarantor for the benefit of the Trustee and the Bondholder.

“*Event of Default*” means a default as set forth in Article VIII of this Indenture.

“*Extraordinary Fees and Expenses*” means all fees and expenses charged or incurred by the Trustee under this Indenture or the Loan Agreement, other than Ordinary Fees and Expenses.

“*Floating Rate*” means prior to the Permanent Loan Commencement Date, a rate equal to the lesser of: (A) Prime plus 1.25%, but not less than 4.5%; or (B) the Maximum Rate.

“*Funds*” means, collectively, the Revenue Fund, the Bond Fund, the Project Fund (consisting of a Bond Proceeds Account and an Equity Account), the Rebate Fund and the Costs of Issuance Fund.

“*General Partner*” means, Pico –Union Housing Corporation, a California nonprofit public benefit corporation.

“*Governmental Authority*” means any government, municipality or political subdivision thereof; any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body; any court, administrative tribunal or public utility; or any central bank or comparable authority.

“*Guarantor*” means Pico –Union Housing Corporation, a California nonprofit public benefit corporation.

“*Holder*” or “*Bondholder*” means the person in whose name the Bond is registered in the Bond Register.

“*Indenture*” means this Indenture of Trust by and between the Issuer and the Trustee, as the same may from time to time be amended or supplemented as herein provided.

“*Independent Accountant*” means a certified public accountant or firm of certified public accountants registered and qualified to practice as such under the laws of the State, and not employed by the Issuer or the Borrower, except to perform independent audits of the books and records of either or both of them or other similar periodic reviews and to perform other independent services.

“Independent Counsel” means any attorney acceptable to Bondowner Representative, duly admitted to practice law before the highest court of any state or of the District of Columbia, who may be counsel to the Issuer but who may not be an officer or an employee of the Issuer.

“Initial Interest Rate” means the interest rate borne by the Bond until the Permanent Loan Commencement Date, which shall be the Floating Rate.

“Investor’s Letter” means a letter in the form of Exhibit C to this Indenture executed by the initial Bondholder and any subsequent transferee of the Bond pursuant to Sections 2.11 and 2.15 of this Indenture.

“Investor Limited Partner” means [_____], its successors and assigns.

“Investor Limited Partner Contribution” means the initial capital contribution to be made by the Investor Limited Partner to the Borrower as set forth in the Partnership Agreement.

“Issuer” means the City of Los Angeles, a municipal corporation and charter city of the State of California and its successors and assigns.

“Issuer’s Closing Fee” shall mean the Issuer’s issuance fee in the amount of \$[34,000] payable by the Borrower to the Issuer on or before the Closing Date.

“Issuer’s Fee” means Issuer’s Closing Fee and Issuer’s Ongoing Fee.

“Issuer’s Ongoing Fee” shall mean the annual fee of the Issuer with respect to the Bonds in the amount as set forth in and in accordance with and pursuant to the provisions of Section 7 (n) of the Regulatory Agreement.

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

“LIHTCs” means federal low-income housing tax credits pursuant to Section 42 of the Code.

“Loan” means the loan of sale proceeds of the Bond by the Issuer to the Borrower described in the Loan Agreement.

“Loan Agreement” means the Loan Agreement with respect to the Loan dated as of [_____] 1, 2015 among the Issuer, BBCN Bank and the Borrower, as the same may from time to time be amended or supplemented as provided therein and in this Indenture.

“Loan Documents” means the Loan Agreement, the Note, the Mortgage, the Security Agreement, the Assignment and the consents by the contracting parties to such assignments, the Environmental Indemnity Agreement, the Assignment of Housing Assistance Payments Contract, the Replacement Reserve Agreement, the Payment and Performance Guaranty and the Regulatory Agreement.

“*Maturity Date*” means [_____] 1, 205[3].

“*Maximum Rate*” means the lesser of (i) 12% per annum or (ii) the maximum rate allowed by applicable law, if any.

“*Mortgage*” means that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of [_____] 1, 2015, from the Borrower as trustor to First American Title Insurance Company as trustee and the Trustee as beneficiary with respect to the Project, as the same may from time to time be replaced, amended or supplemented as provided therein and in this Indenture.

“*Mortgage Default*” means the occurrence and continuance of a default under the Mortgage.

“*Mortgaged Property*” means the properties, real, personal or mixed, described in the Granting Clauses of the Mortgage, as they may at any time exist.

“*Mortgagee*” means, collectively, the Trustee and any co-trustee or successor trustee appointed, qualified and acting as such under this Indenture, as beneficiaries under the Mortgage.

“*Note*” means the Promissory Note executed by the Borrower in the maximum amount of \$[13,600,000] in favor of the Trustee to evidence the Loan and as security for the Bond.

“*Ordinary Fees and Expenses*” means those fees, expenses and disbursements payable to the Trustee in the fulfillment of its obligations hereunder which are reimbursable to the Trustee as described in Section 9.02 hereof (exclusive of Extraordinary Fees and Expenses) which shall be payable annually in arrears on each [_____] 1, commencing [_____] 1, 2016 in an amount equal to [_____] % of: (i) prior to the Permanent Loan Commencement Date the maximum principal amount of the Bond issuable under the Indenture; and (ii) on and after the Permanent Loan Commencement Date, the outstanding principal amount of the Bond, with a minimum annual amount of \$[_____].

“*Outstanding Bond*” or “*Bond Outstanding*” means, as of the date of determination, the aggregate principal amount of the Bond theretofore issued and delivered under this Indenture except:

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

(b) any portion of any Bond for which payment or redemption moneys or securities (as provided in Article VII) shall have been theretofore deposited with the Trustee or Paying Agent in trust for the Holder of such Bond; provided, however, that if such portion of such Bond is to be redeemed, notice of such redemption shall have been duly given pursuant to this Indenture or irrevocable action shall have been taken to call such Bond for redemption at a stated redemption date; or

(c) any Bond in exchange for or in lieu of which another Bond shall have been issued and delivered pursuant to Section 2.07 or other provisions of this Indenture.

“*Partnership Agreement*” means that certain [Amended and Restated Agreement of Limited Partnership] of Leaster Apartments, L.P., by and among Pico –Union Housing Corporation, a California nonprofit public benefit corporation, [Limited Partner] [and _____], as it may be amended from time to time.

“*Paying Agent*” means the Bond Registrar, the Trustee or any other entity designated pursuant to this Indenture as the agent of the Issuer to receive and disburse the principal of and premium, if any, and interest on the Bond.

“*Payment Date*” means the first day of each month, commencing [_____] 1, 2015.

“*Permanent Loan Commencement Date*” means the day of satisfaction of the Conditions to Conversion as defined in Section 2 of the Note, which shall occur on or before [_____] 1, 20[17], unless extended pursuant to the Note, but in no case beyond [_____] 20[18] which satisfaction shall be confirmed in writing to the Trustee by the Bondowner Representative.

“*Permanent Rate*” means, the rate of interest to be borne by the Bond on and after the Permanent Loan Commencement Date, which shall be equal to 5.50% per annum

“*Permitted Encumbrances*” means the Permitted Encumbrances defined in the Loan Agreement.

“*Permitted Investments*” means:

To the extent permitted by applicable law, any of the following investments, provided that, except for investment agreements, investments permitted under Article VI hereof and investments approved by the Bondowner Representative, none shall have a term in excess of one year:

(1) certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest;

(2) investments in any of the following obligations, provided such obligations are backed by the full faith and credit of the United States: (A) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (B) debentures of the Federal Housing Administration, (C) guaranteed mortgage-backed bonds of the Government National Mortgage Association, (D) certificates of beneficial interest of the Farmers Home Administration, (E) obligations of the Federal Financing Bank, (F) project notes and local authority bonds of the United States Department of Housing and Urban Development or (G) obligations of the Private Export Funding Corp.;

(3) investments in (A) senior obligations of the Federal Home Loan Bank System, (B) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (C) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of

the unpaid principal) of Fannie Mae or (D) senior debt obligations of the Student Loan Marketing Association;

(4) repurchase agreements with primary dealers and/or banks rated “A” or better by the Rating Agency collateralized with the obligations described in (i) or (ii) above held by a third-party custodian, at levels set forth in subsection (b) below;

(5) money market mutual funds, including funds for which the Trustee or an affiliate of the Trustee acts as an advisor, and rated in the highest category by the Rating Agency;

(6) certificates of deposit of any bank (including the Trustee), trust company or savings and loan association (including the Bank) whose short-term obligations are rated “A-1” or better by the Rating Agency provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above, at the levels set forth in subsection (b) below, the Trustee has a perfected first security interest in the obligations securing the certificates and the Trustee holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates;

(7) certificates of deposit of any bank (including the Trustee), trust company or savings and loan association (including the Bank) which certificates are fully insured by the Federal Deposit Insurance Corporation;

(8) commercial paper rated “A-1+” or better by the Rating Agency;

(9) obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations are rated by the Rating Agency in the highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise and without regard to credit enhancement) assigned by such rating agency to obligations of that nature; and

(10) investment agreements approved in writing by the Bondowner Representative.

Collateral Percentage Levels of United States Government Securities for Repurchase Agreements and Bank Certificates of Deposit.

Remaining Maturity

Frequency of Valuation	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Daily	102	105	106	107	113
Weekly	103	110	111	113	118
Monthly	106	116	119	123	130
Quarterly	106	118	128	130	135

Further Requirements:

(11) on each valuation date, the market value of the collateral shall be in an amount equal to the indicated collateral percentage of the obligation (including unpaid accrued interest) that is being secured;

(12) in the event the collateral level is below its required collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one Business Day for daily valuations, two Business Days for weekly valuations and one month for monthly and quarterly valuations. The use of different restoration periods affects the requisite collateral percentage;

(13) the Trustee is hereby required to terminate the repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repurchase agreement, to liquidate the collateral; and

(14) collateral for all repurchase agreements must be held by third parties.

“*Plans and Specifications*” means the plans and specifications for the Project approved in writing by Bondowner Representative, together with such amendments thereto as are made from time to time in accordance with Section 3.03 of the Loan Agreement.

“*Prime*” means the prime rate published from time to time by the *Wall Street Journal*.

“*Principal Corporate Trust Office*” means the corporate trust office of the Trustee at [ADDRESS], Los Angeles, CA 90071, Attention: Global Corporate Trust Services or such other office designated by the Trustee from time to time.

“*Proceeds*” means the proceeds of any insurance recovery or condemnation award (or payment in lieu of condemnation) less amounts reimbursed to the Trustee and the Issuer for expenses incurred in connection therewith.

“*Proforma Schedule*” means the Proforma Schedule attached to the Loan Agreement as Exhibit F, together with such amendments to that Schedule as are made from time to time in accordance with the Loan Agreement.

“*Project*” means the Project Premises, the improvements thereon and any and all Project Equipment located on or used in connection with the Project Premises.

“*Project Debt Service*” means all scheduled debt service on the Bond during the period in question, including all interest and scheduled principal payments.

“*Project Engineer*” means an engineer retained by the Bondowner Representative to provide consulting services to the Bondowner Representative with respect to the Project.

“*Project Equipment*” means the property described as “Personal Property” in the Mortgage.

“*Project Fund*” means the fund created under Section 5.02 of this Indenture.

“*Project Premises*” means the real property described in Exhibit B to the Loan Agreement, together with the other property and interests in real property described in Exhibit A of the Mortgage.

“*Project Revenues*” means all gross revenues and receipts derived by the Borrower from the operation of the Project during the period in question, including tenant rents and all other moneys as may be paid to or on behalf of the Borrower or to which the Borrower may be entitled with respect to this Project, excluding securities deposits but including earnings on the foregoing.

“*Qualified Buyer*” means a “qualified institutional buyer” within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended.

“*Qualified Project Costs*” means costs and expenses of the Project which constitute land costs or costs for property of a character subject to the allowance for depreciation excluding specifically working capital and inventory costs; provided, however, that (a) costs or expenses paid or incurred prior to 60 days before the Inducement Date (as defined in the Regulatory Agreement) shall not be deemed to be Qualified Project Costs; (b) issuance costs incurred relating to the Bond may not be treated as Qualified Project Costs; (c) interest during the rehabilitation period shall be allocated between Qualified Project Costs and other nonqualified costs and expenses paid from the proceeds of the Bond; (d) interest following the rehabilitation period shall not constitute a Qualified Project Cost; and (e) expenditures paid to the Borrower or a related party (as defined in the Code and applicable regulations) for work performed or as a profit in connection with the rehabilitation of the Project shall not constitute Qualified Project Costs.

“*Qualified Project Period*” shall have the meaning set forth in the Regulatory Agreement.

“*Rating Agency*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“*Rebate Fund*” means the fund so designated in Section 5.07 of this Indenture.

“*Rebate Requirement*” or “*Rebate Amount*” shall mean the amount of rebatable arbitrage computed for payment as of the last day of every fifth Computation Year pursuant to Treasury Regulation Section 1.148-2 or any successor regulation as may be applicable thereto; provided, however, that an opinion of Bond Counsel to the effect that no money held under the Indenture is subject to rebate shall be accepted by the Issuer and the Trustee as a substitute for such calculation.

“*Record Date*” means with respect to any Payment Date, (a) with respect to the first Payment Date, the Closing Date (b) after the first Payment Date the fifteenth day of the month (whether or not a Business Day) next preceding such Payment Date or (c) if there is a default in payment of interest due on such Payment Date, a special Record Date for the payment of such defaulted interest shall be established by the Trustee by notice mailed by the Trustee (such notice shall be mailed not less than 15 days preceding the applicable special Record Date to the Holder

as set forth on the bond register of the Trustee as Registrar at the close of business on the fifth Business Day preceding the date of mailing).

“*Regulatory Agreement*” means, collectively, those three Regulatory Agreements and Declarations of Restrictive Covenants, each dated as of [_____] 1, 2015 among the Borrower, the Issuer and the Trustee, together with any amendments and supplements thereto, which together, encumber the Project.

“*Related Person*” means a “*related person*” within the meaning of Section 147(a)(2) of the Code.

“*Replacement Reserve Agreement*” means that certain Replacement Reserve Agreement between the Borrower and the Bondowner Representative dated as of [_____] 1, 2015.

“*Representative*” means any Authorized Issuer Representative or Authorized Borrower Representative as the case may be.

“*Responsible Banking Ordinance*” means Ordinance No. 182138 of the City of Los Angeles amending Chapter 5.1 of the Los Angeles Administrative Code.

“*Responsible Agent*” means any person duly authorized and designated by the Trustee, the Bond Registrar and the Paying Agent to act on its behalf in carrying out the applicable duties and powers of such entity as set forth in this Indenture; any action required by the Trustee, the Bond Registrar and the Paying Agent under this Indenture may be taken by a Responsible Agent.

“*Revenue Fund*” means the fund created under Section 5.03 of this Indenture.

“*Security Agreement*” means that certain Security Agreement (Assignment of Partnership Interests and Capital Obligations) executed by Borrower and General Partner in favor of the Trustee dated as of [_____] 1, 2015.

“*State*” means the State of California.

“*Taxable Rate*” shall mean, [135]% of the otherwise then-applicable interest rate on the Bond, but in no case exceeding the Maximum Rate.

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

“*Treasury*” means the United States Department of the Treasury, and any successor to its functions.

“*Treasury Regulations*” means all proposed, temporary or final federal income tax regulations issued or amended with respect to the Code by the Treasury or Internal Revenue Service.

“*Trustee*” means [TRUSTEE], and any co-trustee or successor trustee appointed, qualified and then acting as such under the provisions of this Indenture.

“*Trust Estate*” means the Trust Estate as defined and set forth in the Granting Clauses hereof.

“*Unassigned Issuer’s Rights*” means rights of the Issuer, its members, officers, attorneys, accountants, employees, agents and consultants, past, present and future under the Loan Agreement and the Regulatory Agreement to be held harmless and indemnified, to be paid its fees and expenses, to give or withhold consent to amendments, changes, modifications and alterations, to enforce and receive payments of money directly and for its own purposes under Sections 3.19, 3.28 and 9.09 and Article VII (as it relates to the Issuer) of the Loan Agreement, the Issuer’s rights to indemnification, to receive notices and the right to enforce such rights, including the Issuer’s rights under and relating to the enforcement of the Regulatory Agreement, to receive the Rebate Amount under the Loan Agreement, its rights of access, and to the extent not included above, the rights specifically reserved by the Issuer under this Indenture.

Section 1.02. Rules of Interpretation.

(a) This Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, except as they may be preempted by federal rules, regulations and laws applicable to the Issuer.

(b) The words “herein” and “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Indenture as a whole rather than to any particular section or subdivision of this Indenture.

(c) References in this Indenture to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Indenture as originally executed.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(e) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Indenture and shall not deny or limit the provisions hereof.

(f) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(g) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Indenture.

(h) Any opinion of counsel called for herein shall be a written opinion of such counsel.

(i) References to the Bond as “tax-exempt” or to the “tax-exempt status of the Bond” are to the exclusion of interest on the Bond from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

ARTICLE II

THE BOND

Section 2.01. Authorized Amount and Form of Bond. The Bond secured by this Indenture shall be issued in fully registered form without coupons and in substantially the form set forth herein with such appropriate variations, omissions and insertions as are permitted or required by this Indenture, and in accordance with the further provisions of this Article II. The aggregate principal amount of Bond that shall be issued hereunder shall be \$[13,600,000], subject to funding over time, as provided herein, unless a duplicate Bond is issued as provided in Section 2.07. The Bond, together with the Certificate of Authentication, the form of Assignment, the principal log and the registration information thereon, shall be in substantially the form found at Exhibit B.

Section 2.02. Issuance of Bond. The Bond shall:

- (a) be dated as of the date of original delivery (the “Dated Date”);
- (b) be initially issued and delivered as a single fully registered Bond;
- (c) be numbered from 1 upwards in chronological order of delivery with such number being preceded by such designation as the Trustee shall determine;
- (d) mature on [_____] 1, 2053;
- (e) bear interest as calculated in the Note on the Disbursed Amount from time to time at the Initial Interest Rate from the Dated Date to and until the Permanent Loan Commencement Date and bear interest thereafter at the Permanent Rate (or, in each case, the Default Rate, as herein provided) payable monthly in arrears on the first day of each month, such interest to accrue from the respective Dated Date, or, in the case of transfer or exchange, from the most recent Payment Date to which interest has been paid or provided for under this Indenture; if a payment of defaulted interest is to be made, the Trustee shall establish the time of such payment and shall establish the associated special Record Date therefor as provided in the definition of “Record Date”;
- (f) be payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, at the Principal Corporate Trust Office of the Trustee or Paying Agent, provided that unless otherwise notified by the Bondowner Representative in writing, payments of principal, any premium and interest shall be paid to the Holder of the Bond on the applicable Record Date via wire transfer in immediately available funds to a designated bank

account maintained by the Holder at any bank in the United States, such instructions to be delivered not less than 15 days before the payment date. At the written request of the Bondowner Representative (delivered not less than 15 days before the payment date) payments of principal, any premium and interest on the Bond will be payable by check or draft mailed by first class mail by the Trustee to the Record Date Holder (as defined in Exhibit B) of such Bond on the applicable Record Date at the last addresses thereof as shown in the Bond Register on the applicable Record Date;

(g) be subject to redemption upon the terms and conditions and at the redemption prices specified in Article III hereof; and

(h) before the Permanent Loan Commencement Date, accrue interest at the Initial Interest Rate per annum on the Disbursed Amount calculated on the basis of a three hundred sixty (360) day year and the actual number of days elapsed, on and following the Permanent Loan Commencement Date, calculated at the Permanent Rate on the basis of a three hundred sixty five (365) or three hundred sixty six (366) day year, as applicable and the actual number of days in that month. The Bondowner Representative shall, as servicer of the Loan, calculate the amount of principal and interest due monthly (together with amounts due for the Issuer's Ongoing Fee) and submit such calculations to the Trustee in writing at least 3 Business Days before each Payment Date and shall confirm to the Trustee in writing the Permanent Loan Commencement Date. The Trustee shall, absent manifest error, accept such calculations.

Notwithstanding anything contained herein to the contrary, during any period of time that the Note bears interest at the Default Rate, the Bond shall also bear interest at the Default Rate, and at any time after a Determination of Taxability the Bond shall bear interest at the Taxable Rate.

Notwithstanding the foregoing, if the date for payment of the principal of, premium, if any, or interest on the Bond shall be a day which is not a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment. Furthermore, the Trustee shall, in all circumstances, pass through to the Bondowner (on a pro rata basis), as soon as practicable following receipt by the Trustee, all amounts received by the Trustee in payment of principal of, premium if any, and interest on the Bond if received after the date due hereunder.

All payments so made shall be valid and effective to satisfy and discharge the liability upon the Bond. The Bondholder may instruct the Trustee to hold the Bond on behalf of the Bondholder to facilitate payments pursuant hereto.

Section 2.03. Execution. The Bond shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its Authorized Attesting Officer under the official seal, or a facsimile of the seal, of the Issuer (whether affixed, imprinted, impressed, engraved or otherwise reproduced). Any facsimile signatures shall have the same force and effect as if the Mayor and the Authorized Attesting Officer had manually signed and attested the Bond. In case any officer whose signature or a

facsimile of whose 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 as if such officer had remained in office until delivery. Any reproduction of the official seal of the Issuer on any Bond shall have the same force and effect as if the official seal of the Issuer had been manually impressed on such Bond.

Section 2.04. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless a certificate of authentication on such Bond, substantially in the applicable form set forth in Exhibit B shall have been manually executed by the Bond Registrar. Certificates of authentication on different Bond certificates need not be signed by the same person. The Bond Registrar shall authenticate each Bond by execution of the certificate of authentication on the Bond; and the certificate of authentication so executed on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Indenture.

Section 2.05. Conditions Precedent to the Delivery of Initial Bond. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Bond Registrar, and the Bond Registrar shall authenticate, the initial Bond and shall deliver the initial Bond to or upon the order of the initial purchaser thereof at such time or times as may be directed by the Issuer after the Trustee has received the following:

- (a) original executed counterparts of the Loan Agreement and this Indenture;
- (b) an executed copy of the Mortgage;
- (c) an executed copy of the Regulatory Agreement;
- (d) an original executed Note;
- (e) copies of executed counterparts of all Loan Documents not specifically referred to in paragraphs (a) through (d) above;
- (f) a copy of the resolutions adopted by the governing body of the Issuer, authorizing the execution and delivery of this Indenture and the Loan Agreement and issuance of the Bond;
- (g) a request and authorization to the Trustee on behalf of the Issuer, signed by an Authorized Issuer Representative, to deliver the Bond to the purchaser identified upon payment to the Trustee for the account of the Issuer of a specified sum;
- (h) the opinion of counsel to the Borrower in the form required by the Issuer and counsel to the Bondowner Representative, addressed to the Issuer, the Trustee and the Bondowner Representative;
- (i) the opinion of counsel to the Issuer, in the form required by the Issuer, addressed to the Issuer, the Trustee and the Bondowner Representative;

(j) the opinion of Bond Counsel, addressed to the Issuer and the Trustee with a reliance letter addressed to the Bondowner Representative, to the effect that (i) the Bond is a valid obligation of the Issuer and (ii) interest on the Bond is excludable from gross income of the owner thereof for federal income tax purposes and interest on the Bond is exempt from personal income taxes of the State;

(k) the Issuer's receipt of a Responsible Banking Ordinance Certificate in the form of Exhibit D hereof;

(l) a copy of the Partnership Agreement;

(m) an original of an Investor's Letter executed by the Bondowner Representative and addressed to the Trustee and the Issuer in the form of Exhibit C;

(n) receipt by the Trustee from the Bondowner Representative of the sum of \$[] as the initial purchase price of the Bond for deposit into the Bond Proceeds Account of the Project Fund;

(o) receipt by the Trustee from the Borrower of the sum of \$[] for deposit into the Costs of Issuance Fund [and \$[] for deposit into the Equity Account of the Project Fund]; and

(p) any other documents or opinions which the Issuer or Bond Counsel may reasonably require.

Section 2.06. Drawdown Bond Provisions. The Bondowner Representative shall fund the purchase price of the Bond from time to time to provide funds for deposit in the Bond Proceeds Account of the Project Fund for the payment of requisitions therefrom. Amounts funded in such manner shall be noted on the principal log in the form attached to the Bond and acknowledged thereon by the Trustee, provided the Trustee may maintain such principal log through its bond recordkeeping system. Such amounts shall constitute Disbursed Amounts, and shall begin to accrue interest, only upon deposit by the Bondowner Representative of such funds with the Trustee for credit to the Bond Proceeds Account of the Project Fund. Notwithstanding anything herein to the contrary, the aggregate purchase price of the Bond funded by the Bondowner Representative may not exceed \$[13,600,000] and provided that no additional amounts may be funded after [] 1, 2018 [December 31, 2018].

Section 2.07. Mutilated, Lost or Destroyed Bond. In case any Bond issued hereunder shall become mutilated or be destroyed or lost, the Issuer shall, if not then prohibited by law, cause to be executed, and the Bond Registrar shall authenticate and deliver, a new Bond of like amount, maturity date and tenor, but bearing a number not contemporaneously Outstanding, in exchange and substitution for and upon cancellation of any such mutilated Bond, or in lieu of and in substitution for any such Bond destroyed or lost, upon the Holder's paying the reasonable expenses and charges of the Bond Registrar and the Issuer and, in the case of a Bond destroyed or lost, the Holder's filing with the Bond Registrar of evidence satisfactory to the Bond Registrar and the Trustee that such Bond was destroyed or lost, and of the Holder's ownership thereof, and furnishing the Issuer, the Trustee and the Bond Registrar with indemnity satisfactory to them. If

the mutilated, destroyed or lost Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

Section 2.08. [Reserved].

Section 2.09. Ownership of Bond. The Issuer, the Trustee, the Bond Registrar and Paying Agent may deem and treat the Holder of the Bond, whether or not the Bond shall be overdue, as the absolute owner of the Bond for the purpose of receiving payment thereof and for all other purposes whatsoever, and the Issuer (or any agent thereof), the Trustee, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

Section 2.10. [Reserved].

Section 2.11. Registration, Transfer and Exchange of Registered Bond.

(a) The Trustee shall, at the expense of the Borrower, register, prepare and authenticate a fully registered Bond, shall cause to be kept at the Principal Corporate Trust Office of the Bond Registrar a Bond Register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Trustee shall provide for the registration of the Bond and the registration of transfers of the Bond. The Bond Register shall contain a record of the Bond, including bond number and principal amount at any time authenticated hereunder, together with the name and address of the Holder thereof, the date of authentication, the date of transfer or payment, and such other matters as are appropriate for the Bond Register in the estimation of the Bond Registrar and the Trustee.

(b) The transfer of the Bond is subject to registration by the Holder thereof only upon compliance with the conditions for registration of transfer imposed on the Holder under this Section 2.11 and under Section 2.15 hereof. Upon surrender of the Bond at the Principal Corporate Trust Office of the Bond Registrar, the Issuer shall execute (if necessary), and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees (but not registered in blank or to “bearer” or a similar designation), a new Bond of a like aggregate principal amount, and the same stated maturity, tenor and interest rate.

(c) [Reserved].

(d) Each Bond delivered in exchange for or upon transfer of a Bond shall be a valid special obligation of the Issuer evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bond surrendered for such exchange or transfer.

(e) Registration of the transfer of each Bond may be made on the Bond Register by the Holder in person or by the Holder’s attorney duly authorized in writing. Each Bond presented or surrendered for registration of transfer or exchange shall (i) be accompanied by evidence of compliance with the provisions of Section 2.15 of this Indenture, (ii) be duly endorsed or be accompanied by a written instrument or instruments of transfer, in the form printed on the Bond or in another form satisfactory to the Bond Registrar, duly executed and with guaranty of signature of the Holder thereof or his, her

or its attorney duly authorized in writing and (iii) include written instructions as to the details of the transfer of the Bond.

(f) No service charge shall be made to the Holder for any registration, transfer or exchange, but the Bond Registrar and Issuer may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of any Bond, other than exchanges expressly provided in this Indenture to be made without expense or without charge to the Bondholder, and any legal or unusual costs of transfers and lost bonds.

(g) The Bond Registrar shall not be required (i) to transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption or purchase of such Bond under this Indenture and ending at the close of business on the day of such mailing or (ii) to transfer or exchange such Bond so selected for redemption or purchase in whole or in part.

(h) If the transferee is an “Investment Bank” as defined in the Responsible Banking Ordinance, upon delivery to the Issuer of an executed Responsible Banking Ordinance Certificate in the form of Exhibit D hereto

Section 2.12. Nonpresentment of the Bond. In the event the Bond shall not be presented for payment when the principal hereof becomes due, if required hereunder, and, if funds sufficient to pay the Bond shall have been paid to the Trustee (or the Paying Agent (if any)) for the benefit of the registered owner thereof, all liability of the Issuer to the registered owner thereof for the payment of the Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee or other Paying Agent to hold such fund or funds, without liability for interest thereon, for the benefit of the Holder of the Bond, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, the Bond. Any moneys still held by the Trustee (or other Paying Agent, if any) after two years from the date on which the Bond with respect to such amount was paid to the Trustee or other Paying Agent, shall, if and to the extent permitted by law, be paid to the Issuer and shall be discharged from the trust and all liability of the Paying Agent or Trustee with respect to such funds shall cease; and the owner of the Bond shall thereafter be entitled to look only to the Issuer for payment, and the Issuer shall not be liable for any interest thereon.

Section 2.13. [Reserved].

Section 2.14. Destruction of Bond. Whenever the Bond shall be delivered to the Bond Registrar or the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby or for replacement pursuant to Section 2.07 or transfer pursuant to Section 2.11, such Bond shall be canceled and destroyed by the Bond Registrar or the Trustee, as the case may be, and counterparts of a certificate of cancellation evidencing such cancellation shall be furnished by the Bond Registrar, or the Trustee, as the case may be, to the Issuer, the Bond Registrar and, if appropriate, the Trustee.

Section 2.15. Restrictions on Transfer. Except for the transfer of the Bond to any subsidiary of BBCN Bank (or any successor to BBCN Bank, whether by merger, acquisition of assets or otherwise) the Bond may be transferred, only in whole (unless otherwise approved in writing by the Issuer, which approval may be withheld in its sole and absolute discretion), to a new Bondholder only upon receipt by the Bond Registrar, the Issuer and the Trustee of an Investor's Letter and only with the prior written consent of the Issuer. The Trustee shall be entitled to rely, without any further inquiry, on any Investor's Letter delivered to it and shall be fully protected in registering any transfer or exchange of the Bond in reliance on any such Investor's Letter which appears on its face to be correct and of which the Trustee has no actual knowledge otherwise. Any such Holder desiring to effect such transfer shall agree to indemnify the Issuer and Trustee from and against any and all liability, cost or expense (including attorneys' fees) that may result if the transfer of the Bond is not exempt from the registration requirements of the Securities Act of 1933, as amended or is not made in accordance with federal and state laws. The Bond purchaser shall execute and deliver such an Investor Letter in connection with its initial purchase of the Bond. Every Bond presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer as provided in the Bond form attached hereto as Exhibit B.

ARTICLE III

REDEMPTION OF THE BOND BEFORE MATURITY

Section 3.01. Redemption Provisions. Subject to the provisions of Sections 3.02 and 3.04, the Bond, or a portion thereof, is subject to redemption as follows:

(a) ***Extraordinary Redemption.***

(i) The Bond is subject to mandatory redemption, in whole or in part on any Business Day, in the event and to the extent the Trustee receives funds from the Borrower representing a mandatory prepayment of principal under the Note, at a redemption price equal to the principal amount thereof plus accrued interest and plus any premium remitted therewith as required by the Note.

(ii) The Bond is subject to redemption in whole, on any Business Day, in the event the Trustee receives written notice of a Determination of Taxability (and the Borrower's failure to give written notice to the Trustee within 15 days of a Determination of Taxability that the Bond will thereafter bear interest at the Taxable Rate) at a redemption price equal to the principal amount thereof, plus accrued interest thereon.

(b) ***Optional Redemption.*** The Bond is subject to redemption at the option of the Borrower, in whole or in part on the [first] day of any month, in the event and to the extent the Trustee receives funds from the Borrower representing an optional prepayment of principal at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date and plus any premium remitted therewith as required by the Note.

(c) **Mandatory Sinking Fund Redemption.** The Bond is subject to mandatory sinking fund redemption, on each Payment Date on and after the Permanent Loan Commencement Date in an amount equal to the principal amortization of the Loan paid to the Trustee as a scheduled payment on the Note.

(d) *[Reserved]*.

(e) *[Reserved]*.

(f) **Mandatory Redemption Due to Failure To Convert to Permanent Loan.** The Bond shall be redeemed in whole on [_____] 1, 2017 as the same may be extended in accordance with the provisions of the Note unless the interest rate on the Loan is converted to the Permanent Rate by such date. In no event shall the Permanent Loan Commencement Date be extended to a date later than [_____] 2018.

(g) **Mandatory Redemption Upon Loan Agreement or Other Loan Document Default.** The Bond is subject to mandatory redemption in whole upon the occurrence and continuance of an Event of Default under the Loan Agreement or any other Loan Document not timely cured, at the direction of the Bondowner Representative at a redemption price equal to the principal amount of the Bond then Outstanding, plus accrued interest thereon to the date of redemption.

If the Bond or any portion thereof is redeemed (other than pursuant to the above-referenced mandatory sinking fund redemption schedule) or purchased and canceled by the Trustee and not theretofore applied as a credit against any redemption of the Bond pursuant to the above-referenced mandatory sinking fund redemption schedule, the Trustee shall apply the principal amount of the Bond redeemed or purchased and canceled for credit against the principal installments to be paid pursuant to the mandatory sinking fund redemption schedule for the Bond in such manner as the Bondowner Representative determines so as to as nearly as possible maintain level principal and interest payments on the Bond to the Maturity Date.

Section 3.02. Notice of Redemption. To effect the redemption of the Bond or a portion thereof under Section 3.01, the Trustee shall promptly give notice within the time, in the manner and with the effect provided by this Section 3.02 by first-class mail, postage prepaid to the Bondowner. No advance notice of redemption shall be required. Notice of redemption shall be provided to the Bondowner immediately upon receipt by the Trustee of funds to be used for such redemption. No notice shall be required in the case of a redemption pursuant to Section 3.01(a)(ii), 3.01(c) or 3.01(g), upon the occurrence of a Determination of Taxability or receipt by the Trustee of notice, from the Bondowner Representative, of a continuing event of default under the Loan Agreement or the Mortgage. No defect in or failure to give notice shall affect the validity of the proceedings for redemption of the Bond. Such notice, which shall be prepared by the Trustee at the expense of the Borrower, shall state the subsection under Section 3.01 pursuant to which the Bond is being called for redemption and shall specify the date on which and the place where the Bond shall be presented for redemption, if presentation is required. Except as specifically provided in this Indenture and provided sufficient funds are on deposit with the Trustee with respect to such redemption, the portion of the Bond thus called for redemption shall cease to bear interest from and after the specified redemption date and the

Bondholder shall have no further rights with respect to the redeemed portion of the Bond or under this Indenture except to receive the redemption price of the Bond. The Bondowner need not surrender its Bond in connection with any redemption of the Bond unless the Bond is redeemed in whole or upon maturity of the Bond.

Section 3.03. Cancellation. Subject to the provisions of Section 2.12, the portion of the Bond which has been redeemed shall be canceled by the Trustee as provided in Section 2.14 and shall not be reissued. The Trustee shall note any redemption of the Bond in part in its record and on the principal log maintained by the Trustee at its Principal Corporate Trust Office.

Section 3.04. Method of Redemption.

(a) The Trustee shall redeem the Bond or a portion thereof hereunder (except in the case of Section 3.01(a)(ii) or (g)) only if it has received immediately available funds sufficient for such purpose on or prior to the redemption date.

(b) If the Bond is redeemed pursuant to subsection 3.01(a)(ii) or 3.01(g) hereof, payment of the redemption price shall be deemed made by the Trustee's and the Issuer's absolute assignment to the Bondowner of all right, title and interest of the Issuer and the Trustee in and to the Loan Documents. Such assignment shall constitute full and complete satisfaction of all obligations of the Issuer to the Bondholder hereunder.

(c) If the Bond is redeemed only in part, the Trustee shall make an appropriate notation on the principal log maintained at its Principal Corporate Trust Office indicating the portion of the Bond redeemed. The Trustee shall inform the Bondowner in writing of the current outstanding principal amount of the Bond each month following a Payment Date when the principal amount outstanding has changed since the prior Payment Date and upon receipt of a written request from any Bond Holder.

ARTICLE IV

GENERAL COVENANTS

Section 4.01. Payment of Principal, Premium and Interest. Subject to the provisions of Section 4.09 hereof, and solely from the moneys derived from the Loan Agreement (other than to the extent payable (a) from proceeds of the Bond, temporary investments, or amounts recovered by the Trustee under the Mortgage or (b) as provided in Section 3.04(b) hereof), the Issuer will duly and punctually pay the principal of, premium, if any, and interest on the Bond in accordance with the terms of the Bond and this Indenture. Moneys derived from the Loan Agreement include all moneys derived from the Granting Clauses set forth herein, including, but not limited to, the funds deposited in the Funds (excluding funds held in Rebate Fund and rebatable arbitrage whether or not deposited in the Rebate Fund) to the extent provided herein and in the manner provided in Article V hereof. Nothing in the Bond or in this Indenture shall be considered as assigning or pledging funds or assets of the Issuer other than those covered by the Granting Clauses set forth herein.

Section 4.02. Performance of Covenants.

(a) The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its governing body pertaining thereto; that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act and the Law, to issue the Bond authorized hereby, to execute this Indenture, to loan the proceeds of the Bond to the Borrower and to assign and pledge the payments from the Loan Agreement in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bond and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bond in the hands of the Holder thereof is and will be a valid and enforceable obligation of the Issuer according to the terms thereof. The Issuer further covenants that it will timely comply with all of its obligations under the Tax Certificate and that it will not take any action or fail to take any action which, as advised by Bond Counsel, would adversely affect the exclusion of interest on the Bond from gross income for federal tax purposes.

(b) The Trustee covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Indenture, and in every Bond executed, authenticated and delivered hereunder; that it is duly organized, validly existing, in good standing and possesses all licenses and authorizations necessary to enter into this Indenture; that it has full power and authority to enter into this Indenture and the transactions contemplated thereby; that the Indenture has been duly executed and delivered by it; assuming the due execution and delivery hereof by the Issuer, that this Indenture constitutes a legal, valid, binding and enforceable obligation of the Trustee (subject to bankruptcy, insolvency or creditor rights laws generally and principles of equity generally) without offset, defense or counterclaim, that the execution, delivery and performance of this Indenture by the Trustee will not cause or constitute, including due notice or lapse of time or both, a default under or conflict with organizational documents of the Trustee or other agreements to which the Trustee is a party or otherwise materially or adversely affect performance of duties of the Trustee; that the execution of this Indenture by the Trustee will not violate any law, regulation, order or decree of any governmental authority; that all consents, approvals, authorizations, orders or filings of or with any court or governmental agency or body, if any, required for the execution, delivery and performance of this Indenture by the Trustee have been obtained or made; and that there is no pending action, suit, proceeding, arbitration or governmental investigation challenging the authority of the Trustee to perform its obligations under this Indenture.

Section 4.03. Instruments of Further Assurance. The Issuer covenants that it has not made, done, executed or suffered, and will not make, do, execute or suffer, any act or thing whereby its interest in the Loan Agreement or any part thereof is now or at any time hereafter will be impaired, changed or encumbered in any manner whatsoever, except as may be expressly permitted herein or in the Loan Agreement or as required by law; and that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such instruments supplemental hereto and such further acts, instruments and transfers as the Trustee

may be reasonably required for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the sums assigned and pledged hereby to the payment of the principal of, premium, if any, and interest on the Bond.

Section 4.04. Filing of Continuation Statements. The Trustee shall, at the written direction of the Bondowner Representative, file, at the expense of the Borrower, all such continuation statements for the financing statements filed in connection with the issuance of the Bond as are necessary to preserve the first-lien perfected security interest of the Trustee in and to the Trust Estate.

Section 4.05. Books and Records. The Trustee covenants that so long as any portion of Bond issued hereunder and secured by this Indenture shall be unpaid, the Trustee will keep proper books or records and accounts, in which full, true and correct entries will be made of all its financial dealings or transactions in relation to the Project and the payments made by the Trustee derived from the Loan Agreement, this Indenture and the Mortgage. At reasonable times, with reasonable notice and under reasonable regulations established by the Trustee, such books shall be open to the inspection of the Holder or the Issuer, and such accountants or other agencies as the Holder or the Issuer may from time to time designate in writing to the Trustee.

Section 4.06. Bondholder's Access to Bond Register. At reasonable times, with reasonable notice and under reasonable regulations established by the Bond Registrar, the Bond Register or a copy thereof may be inspected and copied by the Issuer, the Trustee or any Holder (or a designated representative thereof), such authority of any such designated representative to be evidenced to the reasonable satisfaction of the Bond Registrar. Except as otherwise may be provided by law, the Bond Register shall not be deemed a public record and shall not be made available for inspection by the public, unless and until notice to the contrary is given to the Bond Registrar by the Issuer.

Section 4.07. Rights Under Loan Agreement. The Loan Agreement sets forth covenants and obligations of the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Issuer agrees to cooperate in the enforcement of all covenants and obligations of the Borrower under the Loan Agreement and agrees that the Trustee and the Bondowner Representative may enforce all rights of the Issuer (other than Unassigned Issuer's Rights) and all obligations of the Borrower under and pursuant to the Loan Agreement in their respective names and on behalf of the Holder, whether or not the Issuer has undertaken to enforce such rights and obligations.

Section 4.08. Rights Under Mortgage.

(a) The Issuer acknowledges that it has assigned its interest in and to the Mortgage and the Note to the Trustee under this Indenture and that such instrument further secures payment of the Loan, interest thereon and amounts due under certain other Loan Documents, and reference is hereby made to the same for a detailed statement of the obligations of the parties thereto.

(b) Subject to the terms of this Indenture and of the Mortgage and the Regulatory Agreement, until the occurrence of an Event of Default under the Loan

Agreement, the Borrower shall be permitted to possess, use and enjoy the Mortgaged Property and to receive and use the issues and profits of the Mortgaged Property.

Section 4.09. Limitations on Liability. Notwithstanding any other provision of this Indenture to the contrary:

THE BOND IS ISSUED PURSUANT TO THE LAW AND IN ACCORDANCE WITH THE ACT, AND IS A LIMITED OBLIGATION OF THE ISSUER. NEITHER THE CITY COUNCIL OF THE ISSUER NOR ANY OFFICIAL OR EMPLOYEE OF THE ISSUER NOR ANY PERSON EXECUTING THE BOND SHALL BE LIABLE PERSONALLY ON THE BOND OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THEIR ISSUANCE.

THE BOND AND THE INTEREST THEREON ARE PAYABLE SOLELY FROM THE TRUST ESTATE AND ANY OTHER REVENUES, FUNDS AND ASSETS PLEDGED UNDER THIS INDENTURE AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE ISSUER.

NEITHER THE ISSUER, THE STATE NOR ANY OTHER POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF SUCH BOND OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE MONEY PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE NOR ANY POLITICAL CORPORATION OR SUBDIVISION OR AGENCY THEREOF NOR THE FAITH AND CREDIT OF THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BOND OR OTHER COSTS INCIDENT THERETO. THE BOND IS NOT A DEBT OF THE UNITED STATES OF AMERICA.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON ANY 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.

It is recognized that notwithstanding any other provision of this Indenture, neither the Borrower, the Trustee nor any Bondholder shall look to the Issuer for damages suffered by any

Borrower, the Trustee or such Bondholder as a result of the failure of the Issuer to perform any covenant, undertaking or obligation under this Indenture, the Loan Agreement, the Bond or any of the other documents referred to herein, or as a result of the incorrectness of any representation made by the Issuer in any of such documents, nor for any other reason. Although this Indenture recognizes that such documents shall not give rise to any pecuniary liability of the Issuer, nothing contained in this Indenture shall be construed to preclude in any way any action or proceeding (other than that element of any action or proceeding involving a claim for monetary damages against the Issuer) in any court or before any governmental body, agency or instrumentality or otherwise against the Issuer or any of its officers or employees to enforce the provisions of any of such documents which the Issuer is obligated to perform and the performance of which the Issuer has not assigned to the Trustee or any other person; provided, however, that as a condition precedent to the Issuer proceeding pursuant to this Section 4.09, the Issuer shall have received satisfactory indemnification.

Section 4.10. Request and Indemnification. If any consent or other action on the part of the Issuer is required in this or any other document, the Issuer shall have no obligation to act unless first requested to do so, and the Issuer shall have no obligation to expend time or money or to otherwise incur any liability unless indemnity satisfactory to the Issuer has been furnished to it.

ARTICLE V

FUNDS AND ACCOUNTS

Section 5.01. Trust Funds Pledged and Assigned to the Trustee. All payments, revenues and income receivable by the Issuer under the Loan Agreement representing payments of principal, interest and premium, if any, and the fees and expenses of the Issuer, the Trustee and pledged and assigned by this Indenture to the Trustee, together with the balance of the Trust Estate, are to be paid directly to the Trustee and deposited by it in the Funds and Accounts described in this Article V and held in trust for the purposes set forth herein. Moneys on deposit in the Funds and Accounts described in this Article V shall be held by the Trustee in trust, and pending application in accordance with the provisions of this Article V shall be subject to a lien and charge in favor of the Bondholder (other than amounts in the Rebate Fund) until applied as hereinafter provided. Funds held by or on behalf of the Bondowner Representative under the Loan Agreement or any other Loan Document are hereby pledged and assigned by the Issuer to the Trustee for the benefit of the Bondholder. The Trustee shall at all times maintain accurate records of deposits into such funds and the sources and timing of such deposits.

Each Fund shall constitute a segregated trust account or accounts maintained with the corporate trust department of the Trustee, shall be established in the name of the Trustee, bearing the designation provided below. The Trustee shall not deposit into such Funds any moneys other than as provided in this Indenture or the Loan Agreement.

Section 5.02. Project Fund; Disbursement of Project Funds.

(a) A special trust fund is hereby created and designated the Project Fund consisting of a Bond Proceeds Account and an Equity Account. The sale proceeds of the

Bond received from time to time from the Bondowner, shall be deposited with the Trustee in the Bond Proceeds Account of the Project Fund and other moneys deposited by or on behalf of the Borrower shall be deposited in the Equity Account of the Project Fund, each to be disbursed upon receipt from the Borrower of (i) a written requisition in the form of Exhibit A hereto, and (ii) written consent to such disbursement by the Bondowner Representative and the Issuer, the Trustee shall immediately disburse all amounts requested in such requisition from funds in the Project Fund to the Borrower or the persons designated by the Borrower. The Issuer agrees, however, that if the Issuer has not objected in writing to any disbursement within five Business Days of receipt of a request for approval of such disbursement, the Issuer shall be deemed to have approved such disbursement. Furthermore, if the Issuer and the Bondowner 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 Bondowner Representative can approve the disbursement and pay it from the proceeds of the Bond. The Trustee may transfer moneys without the need for a requisition from Project Fund to Interest Account of Bond Fund as needed to pay interest on the Bond prior to the Permanent Loan Commencement Date.

(b) Neither the Trustee nor the Issuer shall be responsible for the application by the Borrower of moneys disbursed to the Borrower or its designees (if any money is disbursed thereto) in accordance with this Section 5.02.

(c) All requisitions in the form provided by this Indenture and approved by the Bondowner Representative and all other statements, orders, certifications and approvals received by the Trustee, as required by this Article V as conditions of payment from the Project Fund, may be conclusively relied upon by the Trustee, and shall be retained by the Trustee, subject at all reasonable times to examination by the Borrower (so long as the Loan Agreement shall remain in force and effect), the Issuer, the Bondowner Representative and the agents and representatives thereof.

(d) All costs incurred in connection with the requisition and disbursement of funds from the Project Fund, including but not limited to the cost of the Project Engineer and updates to the title policy, shall be paid by the Borrower.

(e) Moneys, if any, held in the Bond Proceeds Account of the Project Fund shall be used, along with other moneys provided by the Borrower, to redeem the Bond in whole under the conditions set forth in Section 3.01(f).

(f) [reserved].

(g) [Other than the disbursement on the Closing Date, no funds shall be disbursed from the Bond Proceeds Account of the Project Fund nor shall Bondholder be compelled to fund requisitions until the initial installment of Investor Limited Partner Contribution has been disbursed for Project Costs].

(h) Following receipt of a Rehabilitation Completion Certificate (as defined in the Regulatory Agreement) from Bondowner Representative, the Trustee shall transfer any amounts remaining in the Bond Proceeds Account of the Project Fund to the Interest Account of the Bond Fund. Upon such transfer the Bond Proceeds Account of Project Fund shall be closed.

Section 5.03. Revenue Fund. A special trust fund is hereby created with the Trustee and designated the Revenue Fund.

(a) ***Deposits to the Revenue Fund.*** All payments made to the Issuer under the provisions of the Loan Agreement and the Note are assigned by the Issuer to the Trustee pursuant to the Indenture for monthly deposit to the Revenue Fund (except as otherwise provided in Section 3.30 of the Loan Agreement).

(b) ***Uses of Revenue Fund.*** Provided no Event of Default has occurred under the Loan Agreement and is continuing, funds on deposit in the Revenue Fund shall be distributed at least monthly (except for the Issuer's Ongoing Fee which shall be paid semiannually) by the Trustee as follows:

(i) FIRST, to the Bond Fund for deposit into the Principal Account the principal and into the Interest Account the interest, to become due on the Bond on the next Payment Date;

(ii) SECOND, to the Bondowner Representative as Servicer of the Loan, to reimburse it for amounts advanced by it as set forth in the Loan Documents in connection with the servicing of the Loan, plus interest thereon at the Prime Rate, as such amount is certified to the Trustee and the Borrower by the Bondowner Representative;

(iii) THIRD, to the Rebate Fund, the amount calculated as arbitrage rebate due to the United States Department of the Treasury with respect to a particular Bond Year by the Arbitrage Consultant to the extent specified in writing to the Trustee by the Arbitrage Consultant; and

(iv) FOURTH, to the Trustee, the amount of its Ordinary Fees and Expenses then due, if any and then to the Arbitrage Consultant, the reasonable fees and expenses, if any, as billed and due to it for services hereunder, and then to the Issuer, the Issuer's Fee.

Section 5.04. Bond Fund. A special trust fund is hereby created and to be established by the Trustee, designated the Bond Fund, which shall contain (i) the Interest Account, (ii) the Principal Account, and (iii) the Redemption Account.

(a) ***Interest Account.*** The Trustee shall deposit to the Interest Account moneys transferred from the Revenue Fund as provided in Section 5.03 of this Indenture. Moneys in the Interest Account shall be used to pay interest on the Bond when due.

(b) ***Principal Account.*** The Trustee shall deposit to the Principal Account moneys transferred from the Revenue Fund as provided in Section 5.03 of this Indenture. Moneys in the Principal Account shall be used to pay principal of and sinking fund installments on the Bond when due.

(c) ***Redemption Account.*** The Trustee shall deposit to the Redemption Account any amounts of funds transferred or deposited to effect a redemption of the Bond or any portion thereof (other than mandatory sinking fund redemption) pursuant to Article III hereof. Moneys on deposit in the Redemption Account shall be used for redemption (other than mandatory sinking fund redemption) of the Bond or a portion thereof pursuant to the provisions of Article III hereof.

Section 5.05. [Reserved].

Section 5.06. Deposit of Funds With Paying Agent.

(a) If the Trustee is not the Paying Agent, the Trustee shall transfer and remit sums from the Bond Fund to the Paying Agent immediately upon deposit therein, from the balance then on hand in the Bond Fund, sufficient to pay all principal, interest and redemption premiums then due on the Bond. The Paying Agent shall hold in trust for the Holder of the Bond all sums so transferred to it until paid to such Holders or otherwise disposed of as herein provided.

(b) The Trustee will cause any Paying Agent which is not the Trustee to execute and deliver to it an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 5.06, that such Paying Agent will:

(i) hold all sums held by it for the payment of principal of (and premium, if any) or interest on the Bond in trust for the benefit of the Holder until such sums shall be paid to the Holder or otherwise disposed of as herein provided; and

(ii) at any time during the continuance of any default in the making of any such payment of principal (and premium, if any) or interest, upon the written request of the Trustee forthwith pay to the Trustee all sums so held in trust by such Paying Agent. The Trustee, acting as Paying Agent, shall also be bound by the terms of the foregoing requirements.

Section 5.07. Rebate Fund.

(a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder, designated as the Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein at the direction of the Arbitrage Consultant. Subject to the transfer provisions provided in subsection (c) below, all amounts on deposit in the Rebate Fund shall be held by the Trustee in trust, to the extent required to pay rebatable arbitrage to the United States of America, and neither the Issuer, the Borrower nor 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 5.07 and by the Tax Certificate (the terms of which are incorporated herein by reference). The Trustee shall not be responsible for calculating rebate amounts or for the adequacy or correctness or any rebate report or rebate calculations. The Trustee shall be deemed conclusively to have complied with the provisions of this Indenture regarding calculation and payment of rebate if it follows the directions of the Borrower or the Arbitrage Consultant and it shall have no independent duty to review such calculations or enforce compliance with such rebate requirements.

(b) The Trustee shall unconditionally be entitled to accept and rely upon the recommendations, advice, calculations and opinions of the Arbitrage Consultant as to actions required or not required to be taken by the Trustee to comply with the provisions of Section 148(f) of the Code. The Trustee agrees to act in accordance with the recommendations, advice and opinions of the Arbitrage Consultant for the purpose of complying with any applicable provision of Section 148(f) of the Code.

(c) Pursuant to the Tax Certificate and upon written direction of the Rebate Consultant, the Trustee shall remit all rebate installments and a final rebate payment to the United States of America pursuant to the final report of the Arbitrage Consultant. The Trustee shall have no obligation to pay any amounts required to be rebated pursuant to this Section 5.07 and the Tax Certificate, other than from moneys held in the Funds 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 and payment and satisfaction of any rebatable arbitrage shall be withdrawn and remitted to the Borrower.

(d) Notwithstanding any other provision of this Indenture, including in particular Article VII hereof, the obligation to pay rebatable arbitrage to the United States of America and to comply with all other requirements of this Section 5.07 and the Tax Certificate shall survive the defeasance or payment in full of the Bond.

Section 5.08. [Reserved].

Section 5.09. [Reserved].

Section 5.10. Costs of Issuance Fund. A special trust fund is hereby created and established by the Trustee and designated the Costs of Issuance Fund. There shall be deposited to the credit of the Costs of Issuance Fund on Bond Closing funds provided by or on behalf of the Borrower of \$[_____] to pay: (a) the CDIAC Fee of \$[_____] upon receipt of invoice; and (b) the Trustee's closing fee of \$[_____] on the Closing Date. Any other disbursement of amounts in the Costs of Issuance Fund shall be made by the Trustee upon written request of the Borrower and receipt of written approval by the Bondowner Representative in the form attached hereto as Exhibit D to pay or reimburse the Borrower for Costs of Issuance or to pay third parties upon receipt of an invoice therefor. Any amounts in the Costs of Issuance Fund on the one-hundred fiftieth (150th) day following the Bond Closing shall be transferred to the Equity Account of the Project Fund and the Costs of Issuance Fund shall be closed.

Section 5.11. [Reserved].

Section 5.12. Interest Earned on Funds.

(a) The interest earned from the investment of money held by the Trustee in each of the Funds and Accounts created under this Article V (other than the Rebate Fund) shall inure to the benefit of the Borrower and, except as provided in paragraph (b) below, shall be retained in such separate Fund or Account and applied as a credit against the payment next due into such separate Fund or Account.

(b) During the continuance of an Event of Default or an event which, with notice or lapse of time or both, would become an event of default under the Loan Agreement or any other Loan Document, interest earned from the investment of money in the Funds created under this Article V shall be held in each such Fund and shall not be credited against the payments next due to or from such separate Funds.

Section 5.13. Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bond, and upon satisfaction of all claims against the Issuer hereunder and under the Loan Documents, including any rebate obligation, all fees, charges and expenses of the Trustee, the Bond Registrar, the Issuer and any Paying Agent which are properly due and payable hereunder, or upon the making of adequate provisions for the payment of such amounts as permitted hereby, all moneys remaining in all Funds, except: (a) moneys necessary to pay principal of, premium, if any, and interest on the Bond, which moneys shall be held by the Trustee to be paid to the Bondholder; and (b) moneys, if any, set aside pursuant to Section 5.07 hereof, shall be remitted to the Borrower.

Section 5.14. Issuer's Fees. The Issuer shall be paid the fees described in the Regulatory Agreement, including, but not limited to, Sections 7(n) and (o) thereof. The Trustee shall collect the Issuer's fees from the Borrower when due from the Borrower and remit them to the Issuer at the times specified in the Regulatory Agreement. The Trustee may establish a fund or account in its records to deposit and remit the Issuer's fees to the Issuer.

ARTICLE VI

INVESTMENTS

Section 6.01. Investments by Trustee.

(a) Moneys held hereunder by the Trustee in the Funds, if permitted by law, shall, as nearly as may be practicable, be invested by the Trustee: (i) unless an Event of Default has occurred and is continuing under the Loan Agreement or other Loan Documents, upon direction of the Borrower given or confirmed in writing (which direction shall specify the amount thereof to be so invested) at least two Business Days before the date of investment, in Permitted Investments maturing on or before the Business Day prior to the day such amounts are required and in the amounts required, to enable the Trustee to make payments due hereunder on the Bond or otherwise, but in no event longer than 180 days (unless approved in writing by the Bondowner Representative); or (ii) absent a written investment direction or if an Event of Default has occurred and is continuing under the Loan Agreement or the other Loan Documents, the

Trustee shall hold money in the Funds in Permitted Investments of the type described in clause (5) of the definition of Permitted Investments.

(b) The Trustee shall sell and reduce to cash a sufficient portion of investments under the provisions of this Section 6.01 whenever the cash balance in the Fund for which the investment was made is insufficient for its current requirements. Securities so purchased as an investment of money shall be held by the Trustee, shall be registered in the name of the Trustee or its nominee if registration is required, and shall be deemed at all times a part of the applicable Fund, and the interest accruing thereon and any profit realized from such investments shall be credited to the Fund from which the investment was made, subject to any transfer to another Fund as herein provided. Any loss resulting from such investment shall be charged to the Fund from which the investment was made, and in the event such loss reduces the amount held in such Fund below the amount required to be deposited in such Fund, the Trustee shall request the Borrower to transfer to the Trustee for deposit into such Fund the amount required to restore amounts in such Fund to the required amount. The Trustee shall not be liable for any loss incurred from the purchase or sale of any investment (except for any such loss resulting from the negligence or willful misconduct of the Trustee or its employees).

(c) The Trustee may purchase from or sell to itself, or through any affiliated company, as principal or agent, Permitted Investments herein authorized so long as such purchase or sale is at fair market value.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account.

The Issuer (and the Borrower by its execution of the Loan Agreement) acknowledges that to the extent regulations 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 will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Issuer (to the extent requested in writing by the Issuer) and the Borrower periodic cash transaction statements, which shall include detail for all investment transactions made by the Trustee hereunder. The Trustee, or any of its affiliates, may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder

Section 6.02. Computation of Balances in Funds. In computing the assets of any Fund established hereunder, investments and accrued but unpaid interest thereon shall be deemed a part thereof, and, except as otherwise provided in the Tax Certificate, such investments shall be valued at par value, or at the redemption price thereof, if then redeemable at the option of the obligor, whichever is lower.

Section 6.03. Downgrade of Investments. If any rating of a Permitted Investment during the term of this Indenture falls below such rating that is required pursuant to the definition of "Permitted Investments" then the Trustee shall within two Business Days or as soon as

reasonably practicable thereafter after receiving actual knowledge of the downgrade of the rating of an investment notify in writing the Borrower of such downgrade. The Borrower shall within five Business Days of the receipt of the downgrade notice from the Trustee, direct the Trustee to reinvest such downgraded investment in other Permitted Investments. The Trustee shall have no duty to reinvest in other Permitted Investments in the absence of such directions.

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01. Payment of Bond; Satisfaction, Defeasance and Discharge of Bond and Obligation to Bondholder. Whenever the conditions specified in either clause (1) or clause (2) of the following subsection (a) and the conditions specified in the following subsections (b), (c), (d) and (e) to the extent applicable, shall exist, namely:

(a) either:

(1) the Bond shall have become due and payable and all principal or premium, if any, and interest on the Bond shall have been paid in full, or the Bond have been cancelled by the Trustee or delivered to the Trustee for cancellation, except for:

(A) Any portion of the Bond for which funds have theretofore been deposited in trust or segregated and held in trust by the Paying Agent or Trustee and thereafter repaid to the Issuer or discharged from such trust, as provided in Section 2.12; and

(B) A Bond alleged to have been destroyed, lost or stolen which have been replaced or paid as provided in Section 2.07, and (1) which, prior to the satisfaction and discharge of this Indenture as hereinafter provided, has not been presented to the Paying Agent or Trustee with a claim of ownership and enforceability by the Holder hereof, or (2) whose enforceability by the Holder thereof has been determined adversely to the Holder by a court of competent jurisdiction or other competent tribunal; or

(2) the Issuer or the Borrower has deposited or caused to be deposited, as trust funds, with the Trustee cash and/or Permitted Investments of the type described in clause (1) of the definition of that term which do not permit the redemption thereof at the option of the issuer thereof, the principal of, premium, if any, and interest on which when due (or upon the redemption thereof at the option of the holder), will, without reinvestment, provide cash which together with the cash, if any, deposited with the Trustee at the same time, shall be sufficient, to pay and discharge the entire indebtedness on any portion of the Bond not theretofore cancelled by the Trustee or delivered to the Trustee for cancellation by the payment of interest on and principal (and premium, if any) of the Bond which have become due and payable or which shall become due at their stated maturity

or redemption date, as the case may be (the “Defeasance Collateral”), and which are to be discharged under the provisions hereof, and has made arrangements satisfactory to the Trustee for the giving of notice of redemption, if any, by the Trustee in the name, and at the expense, of the Borrower in the same manner as is provided by Section 3.02;

(b) the Issuer or Borrower has paid, caused to be paid or made arrangements satisfactory to the Trustee for the payment of all other sums due and payable hereunder, including the Issuer’s Ongoing Fee and any rebate obligation, and under the Loan Documents;

(c) the Borrower has delivered to the Trustee and the Issuer a report of an Independent Accountant stating that the payments to be made on any securities, together with the cash, if any, deposited pursuant to clause (2) of subsection (a) above will be sufficient to pay when due the principal of, premium, if any, and interest on the Bond or the portion thereof to be defeased;

(d) if discharge is to be effected under clause (2) of subsection (a), an opinion of Bond Counsel is delivered to the Trustee and the Issuer stating in effect that such discharge will not impair the exclusion of interest on the Bond from gross income for federal income tax purposes; and

(e) the Borrower has delivered to the Trustee and the Issuer an opinion of Independent Counsel to the effect that (i) the Defeasance Collateral has been duly and validly assigned and delivered to the Trustee, (ii) the security interest of the Trustee for the benefit of the Bondholder, with respect to Defeasance Collateral, is a first priority perfected security interest as security for payment of the Bond, which opinion may contain, and be subject to, conditions, exceptions or qualifications as are then customarily included in such opinions, (iii) making the payment which accompanies such opinion would not constitute an avoidable preference under Section 547 of the Bankruptcy Code or under applicable state law in the event of a filing of a petition for relief under the Bankruptcy Code or such applicable state law by or against the Borrower and (iv) the Defeasance Collateral would not be part of the bankruptcy estate under Section 541 of the Bankruptcy Code or be subject to the automatic stay under Section 362 of the Bankruptcy Code in the event of a filing of a petition for relief under the Bankruptcy Code by or against the Borrower;

(f) then, except as otherwise provided in Section 7.05, the rights of the Bondholder shall be limited to the cash or cash and securities deposited as provided in clause (a)(1) or (a)(2) above, and upon the Borrower’s request the rights and interest hereby granted or granted by the Loan Documents to or for the benefit of the Trustee or the Bondholder shall cease and terminate, and the Issuer and the Trustee shall, at the expense of the Borrower, execute and deliver such instruments of satisfaction and transfer as may be necessary, and forthwith the estate, right, title and interest of the Trustee in and to all of the Project and in and to all rights under this Indenture and the Loan Documents (except the moneys or securities or both deposited as required above, rebatable arbitrage and except as may otherwise be provided in Section 7.05) shall

thereupon be discharged and satisfied; except that in any event the obligations of the Borrower under Section 3.28 and Article VII of the Loan Agreement shall survive.

Section 7.02. Cancellation of Surrendered Bond. The Issuer or the Borrower may at any time surrender to the Trustee for cancellation by the Trustee, the Bond, which the Issuer or Borrower acquired in any lawful manner whatsoever, and the Bond, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 7.03. Payment of Bond. The Bond or any portion thereof shall be deemed paid if the conditions set forth in Section 7.01 hereof have been satisfied with respect thereto, even though an additional portion of the Bond may remain Outstanding.

Section 7.04. Application of Deposited Money. All money, securities and income thereon deposited with the Trustee pursuant to Section 7.01 for the purpose of paying the principal, premium, if any, and interest on the Bond shall be applied by the Trustee solely for such purpose.

Section 7.05. Survival of Certain Provisions. Notwithstanding satisfaction of the conditions set forth in subsection 7.01(a)(2) hereof, the provisions contained in Sections 4.07, 4.09, 4.10 and 5.07 shall survive the discharge of this Indenture pursuant to Section 7.01(a)(2).

ARTICLE VIII

DEFAULT AND REMEDIES

Upon a default by the Issuer of its obligations hereunder, the Trustee shall take such actions to enforce the provisions of this Indenture as are specified in writing by the Bondowner Representative. Notwithstanding the foregoing, or anything else to the contrary herein, no default by the Borrower under the Loan Agreement shall constitute an event of default with respect to the Bond (including, without limitation, a failure to make any payment due with respect to the Bond as a consequence of the Borrower's failure to make any payment due under the Loan Agreement). The Bondholder's remedies with respect to a default under the Loan Documents shall be as set forth under the Loan Documents.

ARTICLE IX

THE TRUSTEE

Section 9.01. Acceptance of the Trustee. The Trustee, prior to the occurrence of an Event of Default, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture; and no implied covenants or obligations should be read into this Indenture against the Trustee. In case an Event of Default has occurred and is continuing and has not been waived, the Trustee agrees to perform such trusts as an ordinarily prudent man, but in any event, only upon and subject to the following express terms and conditions:

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be liable for any misconduct or negligence on the part of any agent or attorney appointed

with due care, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith and shall be entitled to reimbursement from the Borrower for such payment. The Trustee may act upon the written opinion or written advice of any attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Issuer, provided that the only legal advice or opinion that the Trustee may rely upon for purposes of securing advice or an opinion relating to the tax exempt status of the Bond is given by Bond Counsel. The Trustee shall not be responsible for any loss or damage resulting from any action taken in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein or in the Bond or for the investment of moneys as herein provided (except as provided in Section 6.01 or 6.02), or for collecting any property insurance proceeds, or for the validity of the execution by the Issuer of this Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of any security for the Bond, or for the value of title of the property herein conveyed, if any, or otherwise as to the maintenance of the security hereof; except as otherwise provided in Sections 4.04 and 4.05 and except that in the event the Trustee enters into possession of a part or all of the property conveyed pursuant to any provisions of this Indenture or the Mortgage, it shall use due diligence in preserving such property. The Trustee may, but shall be under no duty to, require of the Borrower full information and advice as to the performance of the covenants, conditions and agreements in the Loan Agreement, the Regulatory Agreement and the Mortgage as to the condition of any Mortgaged Property and the performance of all other obligations thereunder and shall use reasonable efforts, but without any obligation, to advise the Issuer and the Borrower of any impending Event of Default known to the Trustee.

(c) The Trustee shall not be accountable for the use or application of the Bond or the proceeds thereof (except as herein expressly provided) or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any Paying Agent. The Trustee may become the owner of the Bond secured hereby with the same rights it would have if not Trustee.

(d) The Trustee shall be protected in acting in accordance with the standard of care otherwise required hereunder upon any written notice, order, requisition, request, consent, certificate, opinion (including an opinion of Independent Counsel or Bond Counsel), affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and the Trustee shall be under no duty to make an investigation or inquiry into any statement contained therein. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Holder of the Bond, shall be conclusive and binding upon all future Holders of the Bond.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or authenticity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate of the Issuer signed by an Authorized Issuer Representative as sufficient evidence of the facts stated therein as the same appear from the books and records under the City Clerk's or any assistant City Clerk's custody or control or are otherwise known to such officer. The Trustee may accept a certificate of an Authorized Issuer Representative, City Clerk or any assistant City Clerk to the effect that a motion, resolution or ordinance in the form therein set forth has been adopted by the governing body of the Issuer as conclusive evidence that such motion or resolution has been duly adopted, and is in full force and effect, and may accept such motion, resolution or ordinance as sufficient evidence of the facts stated therein and the necessity or expediency of any particular dealing, transaction or action authorized or approved thereby, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(f) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the real and tangible personal property as in this Indenture provided.

(g) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but not the duty) fully to inspect any and all of the property comprising the Mortgaged Property, including all books, papers and records of the Issuer pertaining to the Mortgaged Property and the Bond, and to take such memoranda from and with regard thereto as may be desired.

(h) The Trustee shall not be required to give any bond or surety with respect to the execution of said trusts and powers or otherwise with respect to the premises.

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

(j) The Issuer shall not be liable for the payment of such sums or for providing for the indemnification of the Trustee.

(k) Notwithstanding any provision of this Indenture to the contrary, before taking any action hereunder, the Trustee may require that it be furnished indemnity satisfactory to it for the reimbursement of all expenses to which it may be put and to

protect it against all liability (except liability which is adjudicated to have resulted from the negligence or willful misconduct of the Trustee) by reason of any action so taken by the Trustee.

(l) No provision of this Indenture or any Loan Document shall require the Trustee to expend or risk its own funds, make advances or otherwise incur any financial liability in the performance of any of its duties, or the exercise of its rights and powers hereunder.

(m) Notwithstanding anything to the contrary contained in this Indenture, in the event the Trustee is entitled or required to commence an action or otherwise exercise remedies to acquire control or possession of any or all of the Project under, but not limited to, the provisions of the Mortgage, the Trustee shall not be required to commence any such action or exercise any such remedy if the Trustee has determined in good faith that it may incur liability under an Environmental Law (as defined below) as the result of the presence at, or release on or from the Project of any Hazardous Substances unless the Trustee has received security or indemnity, from a person, in an amount and in a form all satisfactory to the Trustee in its sole discretion, protecting the Trustee from all such liability. The term "Environmental Laws" shall mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

(n) The Trustee is under no obligation to monitor the receipt of rents by the Borrower.

(o) The Trustee is authorized and directed to execute in its capacity as Trustee the Regulatory Agreement and any Loan Document and any document related thereto which the Trustee is a party.

(p) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(q) The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of the Bondowner Representative relating to the exercise of any right, power or remedy available to the Trustee.

(r) The permissive right of the Trustee to do things enumerated in this Indenture any Loan Documents and any documents related thereto shall not be construed as a duty.

Section 9.02. Trustee's Fees, Charges and Expenses.

(a) The Trustee and any Paying Agent shall be entitled to payment and/or reimbursement for Ordinary Fees and Expenses and all advances, counsel fees and other

expenses reasonably made or incurred by the Trustee in and about the execution of the trusts created by this Indenture in and about the exercise and performance of the powers and duties of the Trustee hereunder in connection with the Event of Default and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee) in connection with the Event of Default. In this regard provisions have been made in the Loan Agreement for the payment of said fees, advances, counsel fees, costs and expenses, and reference is hereby made to the Loan Agreement for the provisions so made; and the Issuer shall not otherwise be liable for the payment of such sums.

(b) The compensation of the Trustee shall not be limited by any provision of law which limits the compensation of a trustee of an express trust.

Section 9.03. Notice to Holders of Default. The Trustee shall give to the Bondholder and the Issuer written notice of all defaults under the Loan Documents known to the Trustee, within five days (or as soon as reasonably practicable thereafter) after the Trustee has actual knowledge or receives written notice of such defaults.

Section 9.04. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of Bondholder, the Trustee may intervene on behalf of Holders and, to the extent that it is indemnified to its reasonable satisfaction, shall do so if requested in writing by the Bondowner Representative. The rights and obligations of the Trustee under this Section 9.04 are subject to the approval of a court of competent jurisdiction in the premises.

Section 9.05. Successor Trustee. Any corporation, association or agency into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall, with the consent of the Issuer and the Bondowner Representative, be and become successor trustee and paying agent under this Indenture and vested with all of the title to the Trust Estate, and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. If the Issuer's and Bondowner Representative's consent is not obtained, the Trustee shall be deemed to have been removed as set forth in Section 9.07 hereof.

Section 9.06. Resignation by Trustee. The Trustee and any successor trustee may at any time resign from the trusts hereby created by giving 30 days' written notice to the Issuer, the Bondowner Representative and the Borrower and by first-class mail to the Bondholder as shown on the Bond Register, and such resignation shall take effect upon the appointment of a successor trustee as provided in Section 9.08 and acceptance of such successor of the duties of the Trustee hereunder. Such notice to the Issuer, the Bondowner Representative or the Borrower may be served personally or sent by registered or certified mail, or overnight courier.

Section 9.07. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, Borrower and Issuer, and signed by the Issuer or by the Bondowner Representative. Any such removal shall take effect upon the appointment of a successor trustee as provided in Section 9.08 and acceptance of such successor of the duties of the Trustee hereunder.

Section 9.08. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer, with the consent of the Bondowner Representative, by an instrument or concurrent instruments in writing signed by the Issuer. Every such Trustee appointed pursuant to the provisions of this Section 9.08 must be a trust company or bank having (or if such bank or trust company is a member of a bank holding company system, its bank holding company has) trust powers and having a reported capital and surplus not less than \$50,000,000.

Section 9.09. Acceptance by Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, to the Borrower and also to the Issuer, an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors as Trustee and Paying Agent; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article IX, shall be forthwith filed or recorded or both by the successor Trustee in each recording office where this Indenture or the Mortgage shall have been filed or recorded or both.

Section 9.10. Right of Trustee To Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge upon any part of the Project is not paid prior to delinquency, to the extent, if any, that the same is legally payable, the Trustee may, but shall be under no duty to, pay such tax, assessment or governmental or other charge, without prejudice, however, to any rights of the Trustee or any Bondholder hereunder arising as a consequence of such failure; and any amount at any time so paid under this Section 9.10, under the Loan Agreement, or under the Mortgage, with interest thereon at the rate borne by the Bond at the Default Rate, shall be repaid to the Trustee upon demand under the Loan Agreement, and shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over the Bond, except with respect to the payment of any principal, interest or premium on the Bond which is then due but not paid, but the Trustee shall be under no obligation to make such payment of taxes, assessments or governmental charges unless it shall have been requested to do so by the Bondowner Representative and shall have been provided

with adequate indemnity for the purpose of such payment. Any such payment shall be made upon five days' prior written notice to the Borrower unless the delay occasioned by any such written notice could result in the forfeiture or termination of any right.

Section 9.11. Trustee Protected in Relying Upon Resolutions. The resolutions, orders, requisitions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee.

Section 9.12. Successor Trustee as Custodian of Funds and Paying Agent. In the event of a change in the office of the Trustee the predecessor Trustee which has resigned or been removed shall cease to be custodian of the Funds described in Article V and shall cease to act as a Paying Agent for principal and interest on the Bond, and the successor Trustee shall be and become such custodian and a Paying Agent.

Section 9.13. Right of Bondowner Representative To Service the Loan. Notwithstanding anything to the contrary contained in this Indenture in any of the Loan Documents, the Bondowner Representative has the right to act on behalf of the Issuer and the Trustee by taking any action which the Bondowner Representative in its good faith discretion deems prudent to enforce any right or remedy of the Issuer or Trustee under the Loan Documents.

Section 9.14. Co-Trustee.

(a) At any time or times upon the consent of the Issuer and the Bondowner Representative, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Trustee shall have the power to appoint one or more persons either to act as cotrustee or cotrustees, jointly with the Trustee, of all or any part of the Trust Estate, or to act as separate trustee or separate trustees of all or any part of the Trust Estate, and to vest in such person or persons, in such capacity, such right to the Trust Estate or any part thereof, and such rights, powers, duties, trusts or obligations as the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section 9.14. Every such cotrustee or separate trustee appointed pursuant to the provisions of this Section 9.14 must be a trust company or bank having trust powers and having a reported capital and surplus not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

(b) [Reserved].

(c) Every cotrustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

(1) All rights, powers, trusts, duties and obligations conferred by this Indenture upon the Trustee with respect to the custody, control or management of moneys, papers, securities and other personal property shall be exercised solely by the Trustee.

(2) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such cotrustee or cotrustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such cotrustee or cotrustees or separate trustee or separate trustees; provided, however, the Trustee shall remain responsible for exercising all rights and powers, maintaining all trusts and performing all duties and obligations conferred or imposed upon the trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such cotrustee or cotrustees or separate trustee or separate trustees.

(3) Any request in writing by the Trustee to any cotrustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such cotrustee or separate trustee.

(4) Any cotrustee or separate trustee may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(5) The Trustee at any time, by an instrument in writing, may accept the resignation of or remove any cotrustee or separate trustee appointed under this Section 9.14. A successor to any cotrustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 9.14.

(6) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

(7) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each cotrustee or separate trustee.

(8) Any moneys, papers, securities or other items of personal property received by any such cotrustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(d) Upon the acceptance in writing of such appointment by any such cotrustee or separate trustee, such cotrustee or separate trustee shall be vested with such interest in and to the Trust Estate or any part thereof, and with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such cotrustee or separate trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee. Any cotrustee or separate trustee may, at any time by an instrument in writing, constitute the Trustee its or his or her attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his or her behalf and in its or his or her name.

(e) In case any cotrustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the Trust Estate and all rights, powers, trusts, duties and obligations of said cotrustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor cotrustee or separate trustee shall be appointed in the manner herein provided.

Section 9.15. Obligations as to Reporting. The Trustee shall provide to the Issuer, upon request, monthly reports of the balances in the Funds held under Article V and any other information reasonably requested by the Issuer; provided, that the Trustee shall not be obligated to provide an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date.

Section 9.16. Appointment of Bond Registrar and Paying Agent. The Issuer hereby appoints the Trustee as Bond Registrar and Paying Agent under this Indenture.

Section 9.17. Successor Paying Agent or Bond Registrar. The provisions of Sections 9.05 through 9.09 with respect to removal, resignation and appointment of a successor trustee shall be equally applicable to the removal, resignation and appointment of a successor to the Paying Agent and the Bond Registrar. If permissible under applicable law, the Trustee shall be eligible for appointment as successor to the Paying Agent if the Trustee is not then already serving in such capacity.

Section 9.18. Confirmation of the Trustee.

(a) At any time while the Bond remains outstanding under this Indenture, if the Trustee reasonably questions whether it has proper authority to take action hereunder, the Trustee may, and upon request of the Issuer, the Borrower or the Bondholder shall, proceed in accordance with an opinion of Bond Counsel.

(b) In construing and interpreting this Indenture and any other Loan Document, the objective shall always be to ascertain and effectuate the intention of the parties.

(c) The Trustee or successor Trustee shall not be answerable for actions taken in compliance with any final order of the court. The Trustee or successor Trustee shall not be entitled to require an indemnity bond pursuant to Section 9.01(k) prior to taking any action directed by final order of the court.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures. The Issuer and Trustee may, from time to time and at any time with the prior written consent of the Bondowner Representative enter into an indenture or indentures supplemental to this Indenture for any lawful purpose.

Section 10.02. Rights of Borrower. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article X which adversely affects the right of the Borrower

under this Indenture, the Loan Agreement, the Note, the Regulatory Agreement or the Mortgage shall not become effective unless and until the Borrower shall have consented (either in writing or by inaction as provided below) to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture, together with a copy of the proposed supplemental indenture, to be mailed by certified or registered mail to the Borrower at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter signed by an Authorized Borrower Representative of protest or objection thereto on or before 5:30 p.m., Pacific Standard or Pacific Daylight Time, whichever is then in effect in Los Angeles, California, of the fifteenth day after the mailing of said notice and a copy of the proposed supplemental indenture to the Borrower unless such fifteenth day falls on a day which is not a Business Day, in which event the letter of objection must be received not later than the next succeeding Business Day.

Section 10.03. Rights of Trustee. The Trustee shall not be required to consent to any Supplemental Indenture referred to in this Article X unless it has first received an opinion of Independent Counsel that such Supplemental Indenture is allowed by this Indenture.

Section 10.04. Opinion of Bond Counsel. Any supplemental indenture governed by this Article X shall be accompanied by an opinion of Bond Counsel that such supplemental indenture does not impair the exclusion of interest on the Bond from gross income for federal income tax purposes nor permit the taking of action which when taken will impair the exclusion of interest on the Bond from gross income for federal income tax purposes.

ARTICLE XI

AMENDMENTS TO LOAN DOCUMENTS

Section 11.01. Amendments. The Issuer or the Trustee or both may, but only with the prior written consent of the Bondowner Representative, consent to or enter into amendments to the Loan Documents for any lawful purpose.

Section 11.02. [Reserved].

Section 11.03. Opinion of Bond Counsel. Any amendment governed by this Article shall be accompanied by an opinion of Bond Counsel that such amendment does not adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes nor permit the taking of action which when taken will adversely affect the exclusion of interest on the Bond from gross income for federal income tax purposes.

Section 11.04. Rights of Trustee. The Trustee shall not be required to consent to any amendment referred to in this Article XI unless it has first received an opinion of Independent Counsel that such amendment is allowed by this Indenture.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.01. Consent of Holder. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Holder may be in any number of concurrent writings of similar tenor and must be signed or executed by such Holder in person, the Bondowner Representative or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of the Bond, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution; and

(b) The fact of the ownership by any person of the Bond and the amount of the Bond, and the date of the holding of the same, may be proved only by reference to the Bond Register.

Section 12.02. Rights Under Indenture. Nothing expressed or mentioned in or to be implied from this Indenture or the Bond is intended or shall be construed to give any person or company other than the parties hereto, and the Bondholder, any legal or equitable right, remedy, or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Holder of the Bond hereby secured as herein provided.

Section 12.03. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any provisions of any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

Section 12.04. Notices. All notices, certificates or other communications hereunder shall be given to all parties identified below, shall be in writing (except as otherwise expressly provided herein) and shall be sufficiently given and shall be deemed given when delivered by hand delivery, telegram or facsimile or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as Registered or Certified Mail, Return Receipt Requested, bearing adequate postage, or delivery by reputable private courier such as FedEx, Airborne, DHL or similar overnight delivery service, and addressed as

hereinafter provided. Notices, except to the Trustee, shall be deemed given when mailed as provided herein. Notices to the Trustee shall be deemed given only when received by the Trustee. All parties identified below may, by written notice given by each to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Indenture. Any notice, certificate, report, financial statement or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

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

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

To the Borrower: Leaster Apartments, L.P.
c/o Pico Union Housing
1038 Venice Boulevard
Los Angeles, CA 90015
Attention: Natalie Rios

with a copy to: Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attention: Robert Mills, Esq.

with a copy to: [HUDSON CAPITAL ENTITY]
[ADDRESS]
Attention: [_____]

with a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP
7700 Old Georgetown Road, Suite 600
Bethesda, MD 20814
Attention: Craig Emden, Esq.

To the Trustee,
Bond Registrar
and Paying Agent:

[TRUSTEE]
[ADDRESS]
Los Angeles, CA 90071
Attention: Global Corporate Trust Services
Ref: LA MF (Leaster 2015C)
Telephone: (213)
Facsimile: (213)

To the initial
Bondowner
Representative:

BBCN Bank
2727 West Olympic Boulevard
Suite 213
Los Angeles, CA 90006
Attention: Hassan Bouayad

With a copy to:

Paul Hastings LLP
25th Floor
515 South Flower Street
Los Angeles, CA 90071
Attention: Kenneth Krug, Esq.

Section 12.05. Required Approvals. Consents and approvals required by this Indenture to be obtained from the Borrower, the Issuer or the Trustee shall be in writing and shall not be unreasonably withheld or delayed.

Section 12.06. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.07. Limitation of Liability of Issuer and Its Officers. 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 Issuer's Mayor, its 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 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 Issuer's Mayor, its City Council or of 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 owner 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 Bondowner 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 recordkeeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee, the Bondowner 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 Issuer's Mayor, its 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 Issuer's Mayor or its 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 12.08. 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, transgender status, 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, transgender status, 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 12.09. 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 12.10. 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 removal hereunder 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 (b) of the Public Contract Code 7110.

Section 12.11. Americans with Disabilities Act. [the following is subject to further revision] 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 paragraph.

Section 12.12. Complete Agreement. The Issuer and the Trustee understand that oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt, including promises to extend or renew such debt, are not enforceable. To protect the Issuer and the Trustee from misunderstandings, any agreements the Issuer and the Trustee reach covering such matters are contained in this Indenture, which is the complete and exclusive statement of the agreement between the Issuer and the Trustee, except as the Issuer and the Trustee may later agree in writing to modify this Indenture as more particularly provided herein.

The Issuer has caused this Indenture to be executed and attested in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the date set forth above.

CITY OF LOS ANGELES, as Issuer

By: Los Angeles Housing and Community
Investment Department

By _____
Authorized Officer

Approved as to form:

MICHAEL N. FEUER,
City Attorney

Deputy/Assistant City Attorney

[Issuer Signature Page to *Leaster* Indenture]

[TRUSTEE],
as Trustee

By _____
Authorized Officer

CONSENTED TO:

BBCN BANK, a California banking corporation,
as Bondowner Representative

By _____
Name: Hye Jung Yoon
Title: First Vice President & Portfolio Manager

[Trustee Signature Page to *Leaster* Indenture]

Acknowledged and Consented to:

LEASTER APARTMENTS, L.P., a California
limited partnership

By: Pico-Union Housing Corporation,
a California nonprofit public benefit
corporation, its general partner

By: _____
Name:
Title:

[Borrower Signature Page to *Leaster* Indenture]

EXHIBIT A

FORM OF REQUISITION CERTIFICATE
(PROJECT FUND)

Date: _____, ____

REQUISITION CERTIFICATE

TO: [TRUSTEE], AS TRUSTEE UNDER THAT INDENTURE OF TRUST DATED AS OF [_____] 1, 2015 BETWEEN CITY OF LOS ANGELES AND THE TRUSTEE (THE "INDENTURE").

LEASTER APARTMENTS, L.P., a California limited partnership (the "Borrower"), hereby requests that the following amounts be paid from the [Bond Proceeds Account][Equity Account] of the Project Fund consisting of \$_____ [proceeds of the Bond (as defined in the Indenture)][equity contribution of the Borrower] for payment to the following payees for the following purposes:

Amount	Payee and Address	Purpose
\$_____		

The Borrower hereby certifies that:

(a) obligations in the stated amounts have been incurred and performed at the Project and are presently due and payable and that each item thereof is a proper charge against the Project Fund and has not been the subject of a previous withdrawal from the Project Fund;

(b) to the best of the undersigned's knowledge there has not been filed with or served upon the Issuer or the Borrower notice of any lien, right or attachment upon, or claim affecting the right of any such persons, firms or corporations to receive payment of, the respective amounts stated in such requisition which has not been released or will not be released simultaneously with the payment of such obligation;

(c)(i) obligations as stated on the requisition have been properly incurred, (ii) such work was actually performed or such materials or supplies were actually furnished or installed in or about the Project, (iii) if contested, any required bond has been made by the Borrower and (iv) either such materials or supplies are not subject to any lien or security interest or any such lien or security interest will be released or discharged upon payment of the requisition;

(d) all rights, title and interest to any and all personal property acquired with the proceeds of the requisition is vested in the Borrower;

(e) the Borrower is in compliance with all of the Borrower's covenants contained in the Loan Agreement and the Regulatory Agreement;

(f) such disbursement when added to all other disbursements made to date from proceeds of the Bond results in at least 95% of the proceeds of the Bond, including investment earnings, having been used for Qualified Project Costs; and

(g) all representations and warranties of the Borrower contained in the Loan Agreement are on the date hereof true and accurate.

Requested this _____ day of _____, ____.

LEASTER APARTMENTS, L.P., a California limited partnership

By: Pico-Union Housing Corporation,
a California nonprofit public benefit corporation, its general partner

By: _____
Name:
Title:

Approved this ____ day of _____, ____.

BBCN BANK,
as Bondowner Representative

By _____
Authorized Officer

For Issuer consent requirements, see Section 5.02(c) of the Indenture.

Approved this day of _____, _____.

CITY OF LOS ANGELES, as Issuer

By _____
Authorized Officer

shall be calculated as described above on the principal amount advanced and outstanding hereunder as evidenced on Exhibit A hereto. Interest hereon shall be calculated as described above on the principal amount advanced and outstanding hereunder as evidenced on Exhibit A hereto on the first day of each month, commencing [] 1, 2015, or as otherwise specified herein and in the Indenture (each, a "Payment Date"). This Bond shall bear interest from the Dated Date specified above or (in the case of transfer or exchange) from the most recent Payment Date to which interest has been paid or provided for. The "Record Date Holder" is the person in whose name this Bond is registered (the "Holder" hereof) in the Bond Register maintained by [TRUSTEE], as Bond Registrar, or its successor either (a) on the fifteenth day of the month (whether or not a Business Day) next preceding each Payment Date (the "Record Date"), irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Payment Date, or (b) if there shall be a default in payment of principal and interest due on such Payment Date, at the close of business on a date (the "Special Record Date") for the payment of such defaulted principal and interest established by notice mailed on behalf of the Issuer. Notice of the Special Record Date shall be mailed, not less than 15 days before the Special Record Date, to the Holder at the close of business on the fifth Business Day preceding the date of mailing. Principal and Interest shall be payable by check or draft mailed to the Holder at his, her or its address as it appears on the Bond Register on the Record Date or the Special Record Date, as the case may be, except as otherwise provided in the Indenture. The principal of and interest and premium, if any, on this Bond are payable in lawful money of the United States of America.

Notwithstanding anything contained herein to the contrary, during any period of time that the Note bears interest at the Default Rate, as defined in the Indenture, this Bond shall also bear interest at the Default Rate. During any period of time the Note bears interest at the Taxable Rate, as defined in the Indenture, this Bond shall also bear interest at the Taxable Rate.

THIS BOND IS ISSUED PURSUANT TO THE LAW AND IN ACCORDANCE WITH THE ACT, AND IS A LIMITED OBLIGATION OF THE ISSUER. NEITHER THE CITY COUNCIL OF THE ISSUER NOR ANY OFFICIAL OR EMPLOYEE OF THE ISSUER NOR ANY PERSON EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THEIR ISSUANCE.

THIS BOND AND THE INTEREST THEREON ARE PAYABLE SOLELY FROM THE TRUST ESTATE AND ANY OTHER REVENUES, FUNDS AND ASSETS PLEDGED UNDER THE INDENTURE AND NOT FROM ANY OTHER REVENUES, FUNDS OR ASSETS OF THE ISSUER.

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 THIS 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 THIS 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 THIS BOND, EXPRESSLY WAIVED AND RELEASED.

This Bond is a duly authorized Bond of the Issuer, issued in the maximum aggregate principal amount of \$[13,600,000], known as the Issuer's Multifamily Housing Revenue Bond (Leaster Apartments) Series 2015C (the "Bond"), issued in accordance with an Indenture of Trust dated as of [_____] 1, 2015 (the "Indenture") between the Issuer and [TRUSTEE], as trustee (the "Trustee"). This Bond is issued pursuant to and in compliance with Section 248, as amended, of the City Charter of the Issuer and Article 6.3 of Chapter 1 of Division 11 of Los Angeles Administrative Code, as amended (the "Law") and in accordance with Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") and a resolution of the City Council of the Issuer. This Bond is issued for the purpose of making a loan of the proceeds thereof (the "Loan") to Leaster Apartments, L.P., a California limited partnership (the "Borrower"), under the provisions of a Loan Agreement dated as of [_____] 1, 2015 (the "Loan Agreement") among the Issuer, the Borrower and BBCN Bank to finance a portion of the acquisition, rehabilitation and equipping of the Leaster Apartments consisting of a 131 unit (plus 2 manager units) scattered site residential rental housing facility located in the City of Los Angeles, California (the "Project"). The loan made pursuant to the Loan Agreement (the "Loan") is evidenced by a promissory note (the "Note") from the Borrower to the Issuer and endorsed without recourse by the Issuer to the Trustee. The Borrower has agreed to repay the Loan, together with interest thereon, in amounts and at times sufficient to pay the principal of, premium, if any, and interest on this Bond as the same shall become due and payable.

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee, for the benefit of the Holder of this Bond, all of its right, title and interest (except Unassigned Issuer's Rights as defined in the Indenture) in and to the Loan Agreement and Note. Pursuant to a Multifamily Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing filed with respect to the Project (the "Mortgage") dated as of [_____] 1, 2015 and executed by the Borrower for the benefit of the Trustee, the Borrower has granted to the Issuer, for the benefit of the Holder of this Bond, a mortgage lien on and a security interest in the Project and the rents and leases thereof. The Mortgage may be released or modified in any respect upon compliance with certain conditions in the Mortgage and the Indenture.

Exhibit A, attached hereto, shall be used by the Trustee to record the payment of the purchase price of this Bond from time to time (such purchase price to be paid from time to time by the Holder of this Bond as provided in the Indenture and the Loan Agreement) and the redemption or payment of principal of this Bond from time to time. The Trustee shall not accept any funds as the purchase price of this Bond, nor shall the Trustee pay to the Holder of this Bond any payment of the principal amount thereof, without making an appropriate notation on Exhibit A. The total amount outstanding under this Bond may not exceed \$[13,600,000] at any time, and no portion of the purchase price therefor shall be accepted after [_____] 20[18].

Reference is hereby also made to the Loan Agreement, the Indenture and the Mortgage, including all supplements thereto, for a description of the property encumbered and assigned, the

provisions, among others, with respect to the nature and extent of the security, the rights of the Issuer, and the rights, duties and obligations of the Borrower, the Trustee and the Holder of this Bond, and the terms upon which this Bond is issued and secured.

This Bond is subject to redemption prior to maturity as follows:

(a) ***Extraordinary Redemption.***

(i) This Bond is subject to mandatory redemption, in whole or in part, on any Business Day, in the event and to the extent the Trustee receives funds from the Borrower representing a mandatory prepayment of principal under the Note, at a redemption price equal to the principal amount thereof plus accrued interest and plus any premium remitted therewith as required by such Note.

(ii) This Bond is subject to redemption in whole, on any Business Day, in the event of a Determination of Taxability and the Borrower's failure to give written notice to the Trustee within 15 days thereafter that this Bond will thereafter bear interest at the Taxable Rate at a redemption price equal to the principal amount thereof, plus accrued interest thereon.

(b) ***Optional Redemption.*** This Bond is subject to redemption at the option of the Borrower, in whole or in part on the [_____] day of any month, in the event and to the extent the Trustee receives funds from the Borrower representing an optional prepayment of principal at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date and plus any premium remitted therewith as required by the Note.

(c) ***Mandatory Sinking Fund Redemption.*** This Bond shall be subject to mandatory sinking fund redemption, on each Payment Date on and after the Permanent Loan Commencement Date in an amount equal to the principal amortization of the Loan paid to the Trustee as a scheduled payment on the Note.

(d) ***Mandatory Redemption Upon Loan Agreement or Other Loan Document Default.*** This Bond is subject to mandatory redemption in whole upon the occurrence of an event of default under the Loan Agreement or any other Loan Document at the direction of the Bondowner Representative at a redemption price equal to the principal amount of the Bond then Outstanding, plus accrued interest thereon to the date of redemption.

(e) ***[Reserved].***

(f) ***Mandatory Redemption Due to Failure To Convert to Permanent Loan.*** This Bond shall be subject to redemption in whole on [_____] 1, 20[17], as the same may be extended in accordance with the provisions of the Note if the rate on the Bond is not converted to the Permanent Rate by such date, as such date may be extended pursuant to the terms of the Note and the Indenture.

If this Bond or any portion thereof is redeemed (other than pursuant to the above-referenced mandatory sinking fund redemption schedule) or purchased and canceled by the Trustee and not theretofore applied as a credit against any redemption of this Bond pursuant to the above-referenced mandatory sinking fund redemption schedule, the Trustee shall apply the principal amount of the Bond redeemed or purchased and canceled for credit against the principal installments to be paid pursuant to the mandatory sinking fund redemption schedule in such manner as the Bondowner Representative, with the concurrence of the Trustee, determines so as to as nearly as possible maintain level principal and interest payments on the Bond to the Maturity Date.

Notice of Redemption

No advance notice of redemption of this Bond shall be required. Notice of redemption shall be provided to the Bondholder immediately upon receipt by the Trustee of funds to be used for such redemption and in the case of an extraordinary redemption due to a Determination of Taxability or a mandatory redemption upon Loan Agreement or Mortgage Default, upon receipt by the Trustee of a Loan Agreement or Mortgage Default or the occurrence of a Determination of Taxability, as appropriate. No defect in or failure to give notice shall affect the validity of the proceedings for redemption of this Bond. Such notice, which shall be prepared by the Trustee at the expense of the Borrower, shall state the subsection under the Indenture pursuant to which this Bond is being called for redemption and shall specify the date on which and the place where it shall be presented for redemption. Except as specifically provided in the Indenture and provided sufficient funds are on deposit with the Trustee with respect to such redemption, the portion of this Bond thus called for redemption shall cease to bear interest from and after the specified redemption and the Bondholder shall have no further rights with respect to the redeemed portion of this Bond or under the Indenture except to receive the redemption price of such Bond.

Method of Redemption

(a) The Trustee shall redeem the Bond or a portion thereof under subsection (a)(ii) or (d) above only if it has received immediately available funds sufficient for such purpose on or prior to the redemption date.

(b) If this Bond is redeemed pursuant to subsection (a)(ii) or (d) hereof, payment of the redemption price shall be deemed made by the Trustee's and the Issuer's absolute assignment to the Bondowner of all right, title and interest of the Issuer and the Trustee in and to the Loan Documents. Such assignment shall constitute full and complete satisfaction of all obligations of the Issuer to the Bondholder under the Indenture.

(c) If this Bond is redeemed only in part, it shall be surrendered to the Trustee and the Trustee shall make an appropriate notation on the principal log attached thereto indicating the portion of such Bond redeemed.

Business Day Payments

If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a day which is not a Business Day, then the date for such payment shall be the next

succeeding day which is a Business Day, and payment on such later date shall have the same force and effect as if made on the nominal date of payment.

Enforcement; Modification of Indenture and Loan Documents

The Holder 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 default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Loan Agreement. Modifications or alterations of the Indenture, of any indenture supplemental thereto or of Loan Documents may be made only to the extent and in the circumstances permitted by the Indenture but only with the prior consent of the Bondowner Representative.

Denomination; Exchange; Treatment of Registered Holder

This Bond is issued as a single fully registered bond without coupons. This Bond may be exchanged by the Holder for another Bond, upon surrender thereof by the Holder at the principal corporate trust office of the Bond Registrar, in the manner and subject to the limitations provided in the Indenture. The Issuer, the Trustee, the Bond Registrar and any Paying Agent may deem and treat the Holder of this Bond as the absolute owner of such Bond (whether or not this Bond shall be overdue) for the purpose of receiving payment on this Bond (except as otherwise hereinabove provided with respect to the Record Date and Special Record Date) and for all other purposes, and the Issuer, the Trustee, the Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

Registration of Transfer

The transfer of this Bond is subject to certain restrictions as provided in the Indenture and described below and to registration by the Holder in person or by the Holder's attorney hereof upon surrender of this Bond at the principal corporate trust office of the Bond Registrar, duly endorsed or accompanied by a written instrument or instruments of transfer in the form printed on this Bond or in another form satisfactory to the Bond Registrar and executed and with guaranty of signature by the Holder hereof or his, her or its attorney duly authorized in writing, containing written instructions as to the details of the registration of the transfer of this Bond. Thereupon the Issuer shall execute (if necessary) and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees (but not registered in blank or to "bearer" or a similar designation), a new Bond.

Except as otherwise provided in the Indenture, this Bond may be transferred, as a whole but not in part, to a new Bondholder only upon receipt by the Registrar, the Issuer and the Trustee of evidence that such Bond is being transferred to a "qualified institutional buyer" (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended). The Bond Registrar shall not register any transfer or exchange of this Bond unless such Bondholder's prospective transferee delivers to the Trustee an investor's letter substantially in the form set forth in Exhibit C to the Indenture and obtains the prior written consent of the Issuer.

Service Charges; Taxes

No service charge shall be made to the Holder for any registration, transfer or exchange, but the Bond Registrar and the Issuer may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with any transfer or exchange of this Bond, other than exchanges expressly provided in the Indenture to be made without charge to the Holder, and any legal or other unusual costs of transfers and lost bonds.

Acceleration; Default

No default by the Borrower under any of the Loan Documents shall constitute a default under the Indenture. This Bond is not subject to acceleration upon any Borrower default, although it may be redeemed as provided in the Indenture.

Governing Law

This Bond shall be governed by and construed in accordance with the laws of the State of California.

Indenture Controlling; Consent

The terms of this Bond are subject in all respects to the terms of the Indenture. If there is a conflict between the provisions of this Bond and the Indenture, the Indenture shall control. By acceptance of this Bond, the registered owner hereof hereby consents to the terms of the Indenture and the Loan Documents.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution, delivery and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, including the Law and the Act.

The Issuer has caused this Bond to be duly 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 above Dated Date.

(SEAL)

CITY OF LOS ANGELES

City Treasurer

By _____
Mayor

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within mentioned Indenture.

Date of Authentication: _____

[TRUSTEE],
as Bond Registrar

By _____
Name _____
Title _____

(Form of Assignment)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address) (Please Insert Social Security or Other Identifying Number of Assignee: _____) the within Bond and all rights and title therein, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed

(Registered Owner)

NOTICE: Signature(s) must be guaranteed by a qualified guarantor institution.

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

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

TEN COM
TEN ENT
JT TEN

as tenants in common
as tenants by the entirety
as joint tenants with rights of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Minor)

Custodian _____
(Cust)

Under Uniform Gifts to Minors Act

(State)

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

EXHIBIT A

PRINCIPAL LOG

Purchase Amount	Purchase Date	Redemption or Payment Amount	Redemption Date	Outstanding Principal	Trustee Initials
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EXHIBIT C
INVESTOR'S LETTER

[Date]

City of Los Angeles
Los Angeles, California

[TRUSTEE]
Los Angeles, California

Kutak Rock LLP
Los Angeles, CA

[\$[13,600,000]]
City of Los Angeles
Multifamily Housing Revenue Bond
(Leaster Apartments)
Series 2015C

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-referenced bond (the "Bond") issued pursuant to that certain Indenture of Trust, dated as of [] 1, 2015 (the "Indenture"), between the City of Los Angeles (the "Issuer") and [TRUSTEE], as trustee. The Investor understands that the Bond is not rated by any securities rating agency and is secured only by the Leaster Apartments and the revenues therefrom, and will be sold to the Investor in reliance 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 Documents. 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 employee of the Issuer, by each member of the City Council of the Issuer, and by counsel to the Issuer, the Trustee, counsel to the Trustee and Bond Counsel in connection with the authorization, execution and delivery of the Bond and the Investor's purchase of the Bond. The Investor recognizes and agrees that the Issuer, each employee of the Issuer, each member of the City Council of the Issuer, counsel to the Issuer, the Trustee, counsel to the Trustee 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 Bond.

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 in whole (but not in part), 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.

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, including the prior written consent of the Issuer. The Investor further agrees that the Bond will not be transferred to or held in a pool, trust or similar arrangement.

7. The Investor is a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933 ("Rule 144A") and it understands that the Bond may be offered, resold, pledged or transferred only to a person who is a "qualified institutional buyer," as defined in Rule 144A ("QIBs"), 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 consent of the Issuer referenced in Section 6 above and the Indenture.

9. Neither the Trustee, the Bond 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 Purchaser 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, (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 amounts provided by or at the direction of the Borrower, and are not obligations payable from the general revenues or other funds of the Issuer, the State of California or any other 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 undersigned is a duly appointed, qualified and acting officer of the Investor and authorized to make the certifications, representations and warranties contained herein.

13. 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.

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

15. 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 Purchaser

By _____
[Name]
[Title]

Dated: _____, 20__

EXHIBIT D

**FORM OF REQUISITION CERTIFICATE
(COSTS OF ISSUANCE FUND)**

To: [TRUSTEE], as Trustee under that Indenture of Trust dated as of [_____] 1, 2015 (the “Indenture”) between the Trustee and the City of Los Angeles.

1. You are requested to disburse funds from the Costs of Issuance Fund pursuant to Section 5.10 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 are attached hereto.

2. The undersigned certifies that:

(a) it has received no notice of any lien, right to lien or attachment upon, or claim affecting the right of the payee(s) to receive payment of, any of the moneys payable under such requisition to any of the persons, firms or corporations named therein;

(b) each obligation stated on the attached Schedule I to this requisition has been incurred in or about the issuance of the Bond and each item is a proper charge against the Costs of Issuance Fund, and the obligation has not been the basis for a prior requisition that has been paid;

(c) each obligation stated on the attached Schedule I to this requisition constitutes a “cost of issuance” under Section 147(g) of the Code; and

(d) as of the date hereof 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 this Indenture or under the Loan Agreement.

[Remainder of page intentionally left blank]

Dated: _____

LEASTER APARTMENTS, L.P., a California limited partnership

By: Pico-Union Housing Corporation,
a California nonprofit public benefit corporation, its general partner

By: _____

Name:

Title:

Approved by:

BBCN BANK, as Bondowner Representative

By _____
Authorized Representative

CITY OF LOS ANGELES

By _____
Authorized Representative

Leaster - Schedule of Payees

EXHIBIT E
FORM OF RESPONSIBLE BANKING ORDINANCE CERTIFICATE

RESPONSIBLE BANKING ORDINANCE
REPRESENTATIONS AND COVENANTS OF BANK

[_____, 20__]

City of Los Angeles
Los Angeles, California

[\$13,600,000]
City of Los Angeles
Multifamily Housing Revenue Bond
(Leaster Apartments)
Series 2015C

Ladies and Gentlemen:

The undersigned on behalf of [_____]. (the "Bank") does hereby certify to the following as of the date of this certificate, relating to the Bank's purchase from the City of Los Angeles (the "City") of the City's \$13,600,000 initial aggregate principal amount of Multifamily Housing Revenue Bond (Leaster Apartments) Series 2015C (the "Bond"):

(a) The Bank shall file with the City Treasurer of the City by July 1 of each year an annual statement of community reinvestment activities as required of a commercial bank under the City's Ordinance 182138 adopted May 25, 2012 (the "Responsible Banking Ordinance"); and

(b) The Bank represents that it has, prior to the date hereof, filed with the City Treasurer the report due by July 1, 20[___] under the Responsible Banking Ordinance for calendar year 20[___].

[Remainder of this page intentionally left blank.]

Very truly yours,

[BANK]

By: _____
Name: _____
Title: _____