
INDENTURE OF TRUST

by and among

CITY OF LOS ANGELES

and

[TRUSTEE],
as Trustee

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Initial Bondowner Representative

Dated as of [_____] 1, 2014

relating to:

[\$8,750,000]
City of Los Angeles
Multifamily Housing Revenue Bond
(The Berendos Apartments Project)
Series 2014I

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of [_____] 1, 2014 (this “Indenture”), is by and among the **CITY OF LOS ANGELES**, a charter city and municipal corporation of the State of California, duly organized and existing under its charter and the laws of the State of California (herein called the “City”), and **[TRUSTEE]**, a national banking association organized and existing under the laws of the United States of America, as Trustee hereunder (herein called the “Trustee”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as initial purchaser of the Bond hereunder (herein called the “Bondowner Representative”).

WITNESSETH:

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

WHEREAS, the City proposes to issue pursuant to the Law and in accordance with the Act, its Multifamily Housing Revenue Bond (The Berendos Apartments Project), Series 2014I (the “Bond”); and

WHEREAS, Berendos, L.P., a California limited partnership (the “Owner”), has applied to the City for financial assistance for the purpose of providing all or part of the funds with which to pay the cost of the acquisition, rehabilitation and equipping of a 70-unit scattered site (plus two managers’ units) multifamily rental housing project at 226 and 235 South Berendo Street, Los Angeles, California, known as The Berendos Apartments (the “Project”); and

WHEREAS, the provision of the Loan (as hereinafter defined), is authorized by the Law and the Act and will accomplish a valid public purpose of the City, and the City has determined that it is in the public interest to issue the Bond in the aggregate principal amount of \$[8,750,000] for the purpose of providing funding necessary for the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, pursuant to a Loan Agreement dated as of even date herewith (the “Loan Agreement”) among the City, the Bondowner Representative and the Owner, the City has agreed to issue the Bond and lend the proceeds thereof to the Owner (the “Loan”) and the Owner has agreed to (a) apply the proceeds of the Loan to pay a portion of the costs of acquisition, rehabilitation and equipping of the Project, (b) make payments sufficient to pay the principal of and interest on the Bond when due (whether at maturity, by redemption, acceleration or otherwise), and (c) observe the other covenants and agreements and make the other payments set forth therein; and

WHEREAS, in order to provide for the authentication and delivery of the Bond, to establish and declare the terms and conditions upon which the Bond is to be issued and secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the City has authorized the execution and delivery of this Indenture; and

WHEREAS, the City has determined that all conditions, things and acts required by the Act, and by all other laws of the State of California, to exist, have happened and have been performed in satisfaction of conditions precedent to and in connection with the issuance of the Bond exist, have happened, and have been performed in due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bond for the purpose, in the manner and upon the terms herein provided; and

WHEREAS, the City has determined that all acts and proceedings required by law necessary to make the Bond, when executed by the City, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligation of the City, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

A G R E E M E N T:

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, the Bond at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bond is to be issued and received, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bond by the owner thereof, and for other valuable consideration the receipt and sufficiency of which is hereby acknowledged, the City covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective registered owner from time to time of the Bond, as follows:

ARTICLE I

DEFINITIONS AND GENERAL PROVISIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes of this Indenture and of the Loan Agreement and of any indenture supplemental hereto or agreement supplemental thereto, have the meanings herein specified, as follows:

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

The term “**Affiliate**” shall mean, as to any person, any other person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such person.

The term “**Agreement**” or “**Loan Agreement**” shall mean the Loan Agreement, dated as of [] 1, 2014, among the City, the Owner and the Bondowner Representative, pursuant to which the City agrees to lend the proceeds of the Bond to the Owner, as originally executed or as it may from time to time be supplemented or amended in accordance with its terms.

The term “**Annual Fee**,” when used with reference to the City, means the City’s ongoing annual fee as set forth in Section 7(n) of the Regulatory Agreement.

The term “**Authorized Amount**” shall mean \$[8,750,000], the authorized maximum principal amount of the Bond.

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

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

The term “**Authorized Owner Representative**” shall mean any person who at the time and from time to time may be designated as such, by written certificate furnished to the City, the Bondowner Representative and the Trustee containing the specimen signature of such person and signed on behalf of the Owner by a managing member or general partner of the Owner, as applicable, which certificate may designate an alternate or alternates and such persons as designated in the Loan Agreement.

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

The term “**Bond Fund**” shall mean the fund by that name established pursuant to Section 5.02 hereof.

The term “**Bondowner Representative**” shall mean Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America, and any successor entity that is the owner of the Bond or any entity selected by the owner of the Bond.

The term “**Bond**” shall mean the City of Los Angeles Multifamily Housing Revenue Bond (The Berendos Apartments Project), Series 2014I, issued and Outstanding hereunder.