



Office of the Chicago City
Clerk



F2012-25

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	4/18/2012
Sponsor(s):	Mendoza, Susana A. (Clerk)
Type:	Communication
Title:	Notification of Sale of City of Chicago, Multi-Family Housing Revenue Bonds Series 2012B and Series 2012B (Hazel Withrop Apartments)
Committee(s) Assignment:	



DEPARTMENT OF FINANCE
CITY OF CHICAGO

March 14, 2012

Susana Mendoza
City Clerk
121 North LaSalle Street
Room 107
Chicago, Illinois 60602

RE: City of Chicago, Illinois
Multi-Family Housing Revenue Bonds
Series 2012AB (Hazel Winthrop Apartments)
\$70,425,000

Dear Ms. Mendoza:

Attached is the Notification of Sale which is required to be filed with your office pursuant to Section 7 of the ordinance authorizing of the issuance of Redevelopment Agreement and issuance of Mortgage Revenue Bonds for Community Housing Partners XV, which was passed by the City Council on March 9, 2011.

Please direct this filing to the City Council.

Very Truly Yours,

Lois A. Scott
Chief Financial Officer

RECEIVED
CITY COUNCIL DIVISION
2012 MAR 14 PM 3:42
OFFICE OF THE
CITY CLERK

OFFICE OF THE
CITY CLERK

2012 MAR 19 AM 9:33

RECEIVED
CITY COUNCIL DIVISION

NOTIFICATION OF SALE
OF
\$2,274,400
CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BONDS
(HAZEL WINTHROP APARTMENTS) SERIES 2012A (FHA INSURED/GNMA)
\$3,620,000
CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BONDS
(HAZEL WINTHROP APARTMENTS) SERIES 2012B

RECEIVED
CITY COUNCIL DIVISION
2012 MAR 14 PM 3:42
OFFICE OF THE
CITY CLERK

To: The City Council of the City of Chicago

Please be advised that responsive to authority contained in the Bond Ordinance adopted by the City Council (the "**City Council**") of the City of Chicago (the "**City**") on March 9, 2011 (the "**Ordinance**"), providing for the issuance of (i) the \$2,274,400 City of Chicago Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA) (the "**Series 2012A Bonds**") and (ii) the City of Chicago Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012B (the "**Series 2012B Bonds**" and, together with the Series 2012A Bonds, the "**Bonds**"), the following documents were entered into by me, as the Chief Financial Officer, on behalf of the City and, where required, by the City Clerk of the City: the Trust Indenture dated as of March 1, 2012 related to the Series 2012A Bonds (the "**Series 2012A Indenture**"), between the City and Seaway Bank and Trust Company, as Trustee (the "**Trustee**"); the Trust Indenture dated as of March 1, 2012 related to the Series 2012B Bonds (the "**Series 2012B Indenture**") between the City and the Trustee; the Financing Agreement dated as of March 1, 2012 between the City and Community Housing Partners XV L.P. (the "**Borrower**"); the Loan Agreement dated as of March 1, 2012 between the City and the Borrower; the Bond Purchase Agreement dated March 8, 2012 related to the Series 2012A Bonds among the City, the Borrower and Merrill Lynch, Pierce, Fenner & Smith Incorporated (on behalf of itself and Gardner Rich, LLC) (the "**Underwriters**"), providing for the sale of the Series 2012A Bonds to the Underwriters; the Bond Purchase Agreement dated March 8, 2012 related to the Series 2012B Bonds among the City, the Borrower and the Underwriters providing for the sale of the Series 2012B Bonds to the Underwriters; the Arbitrage Certificate dated the date hereof related to the Series 2012A Bonds between the City and the Borrower; the Arbitrage Certificate dated the date hereof related to the Series 2012B Bonds between the City and the Borrower; the Escrow Agreement dated March 14, 2012 between the City, the Borrower, Title Services, Inc., Enterprise Community Investment, Inc. and BMO Harris Bank N.A. (the "**Bank**"); and the Land Use Restriction Agreement dated as of March 1, 2012 between the City and the Borrower providing certain restrictions on the use and occupancy of the multi-family housing development financed with the proceeds of the Bonds. Capitalized terms defined in the Ordinance are used with the same meanings herein.

The Ordinance provided that the Series 2012A Bonds may be issued in an aggregate principal amount not to exceed \$3,000,000, mature not later than January 1, 2055, bear interest at a rate not to exceed 7.5% per annum, payable on the interest payment dates as set forth in the Series 2012A Indenture and this Notification of Sale. The Ordinance provided that the Series

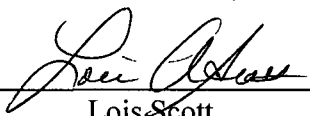
2012A Bonds be designated as, be dated, be subject to redemption prior to maturity, be payable in such places and in such manner and have such other details and provisions as prescribed in the Series 2012A Indenture and this Notification of Sale. The Series 2012A Bonds are being sold to the Underwriters at a purchase price of \$2,274,400, which sale is 100% of the principal amount thereof. The compensation (including all fees) being paid to the Underwriters in connection with the sale of the Series 2012A Bonds is \$17,058. The compensation being paid to the Underwriters does not exceed 2% of the aggregate principal amount of the Series 2012A Bonds. The Series 2012A Bonds mature on July 1, 2053, and are subject to redemption and optional tender, and bear interest on each January 1 and July 1 at the rate of 2.00% per annum through and including December 31, 2012 and at 4.15% per annum thereafter as provided in the Series 2012A Indenture. The Series 2012A Bonds were marketed pursuant to an Official Statement dated March 8, 2012.

Attached hereto as Exhibit A is a copy of the final executed Series 2012A Indenture.

The Ordinance provided that the Series 2012B Bonds may be issued in an aggregate principal amount not to exceed \$4,000,000, mature not later than January 1, 2015, bear interest at a rate not to exceed 12% per annum, payable on the interest payment dates as set forth in the Series 2012B Indenture and this Notification of Sale. The Ordinance provided that the Series 2012B Bonds may bear interest in either a Fixed Rate Period or a Variable Rate Period as provided in the Series 2012B Indenture and this Notification of Sale. The Ordinance provided that the Series 2012B Bonds be designated as, be dated, be subject to redemption prior to maturity, be subject to optional and mandatory tender, be payable in such places and in such manner and have such other details and provisions as prescribed in the Series 2012B Indenture and this Notification of Sale. The Series 2012B Bonds are being sold to the Underwriters at a purchase price of \$3,620,000, which sale is 100% of the principal amount thereof. The compensation (including all fees) being paid to the Underwriters in connection with the sale of the Series 2012B Bonds is \$18,100. The compensation being paid to the Underwriters does not exceed 2% of the aggregate principal amount of the Series 2012B Bonds. The Series 2012B Bonds mature on September 15, 2013, and are subject to redemption and bear interest payable on March 15 and September 15 at the rate of 1.00% per annum as provided in the Series 2012B Indenture. Since the parties have determined that the Series 2012B Bonds shall bear interest at a fixed rate of interest through final maturity of the Series 2012B Bonds, the final form of Series 2012B Indenture contains no references to a Variable Rate Period, conversion of interest rate modes, optional or mandatory tender provisions or other provisions which would have been applicable only in a Variable Rate Period. The Series 2012B Bonds were marketed pursuant to an Official Statement dated March 8, 2012.

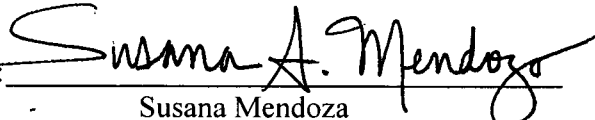
Attached hereto as Exhibit B is a copy of the final executed Series 2012B Indenture.

Respectfully submitted this 14th day of March, 2012.

By: 
Lois Scott
Chief Financial Officer

ACKNOWLEDGEMENT OF FILING

The Notification of Sale of (i) the \$2,274,400 City of Chicago Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA) and (ii) the \$3,620,000 City of Chicago Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012B was filed in the office of the City Clerk of the City of Chicago, this 14th day of March, 2012.

By: 
Susana Mendoza
City Clerk

[SEAL]

APPENDIX A

SERIES 2012A INDENTURE

[A COPY OF THE SERIES 2012A INDENTURE TO BE FILED WITH THE CITY CLERK]

PLEASE SEE TRANSCRIPT ITEM I.2

APPENDIX B

SERIES 2012B INDENTURE

[A COPY OF THE SERIES 2012B INDENTURE TO BE FILED WITH THE CITY CLERK]

PLEASE SEE TRANSCRIPT ITEM II.2

TRUST INDENTURE

between

CITY OF CHICAGO

and

**SEAWAY BANK AND TRUST COMPANY,
as Trustee**

with respect to

**\$2,274,400 Multi-Family Housing Revenue Bonds
(Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA)**

Dated as of March 1, 2012

TABLE OF CONTENTS

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS	3
Section 1.01 Definitions	3
Section 1.02 Interpretation	13
ARTICLE II THE BONDS	13
Section 2.01 Issuance of Bonds	13
Section 2.02 Payment of Bonds	14
Section 2.03 Restriction on Issuance of Bonds	15
Section 2.04 Limited Obligations	15
Section 2.05 Indenture Constitutes Contract	15
Section 2.06 Execution	15
Section 2.07 Authentication	15
Section 2.08 Mutilated, Lost, Stolen or Destroyed Bonds	16
Section 2.09 Transfer and Exchange of Bonds; Persons Treated as Holders	16
Section 2.10 Temporary Bonds	17
Section 2.11 Safekeeping and Cancellation of Bonds	17
Section 2.12 Book-Entry Provisions	17
Section 2.13 Delivery of the Bonds	19
ARTICLE III REDEMPTION AND OPTIONAL TENDER OF BONDS	19
Section 3.01 Redemption of Bonds	19
Section 3.02 Selection of Bonds for Redemption	22
Section 3.03 Notice of Redemption	23
Section 3.04 Effect of Notice of Redemption	25
Section 3.05 Cancellation	25
Section 3.06 Optional Tender of Bonds at Direction of a Beneficial Owner of All of the Outstanding Bonds.	25
ARTICLE IV FUNDS; INVESTMENTS	26
Section 4.01 Establishment of Funds	26
Section 4.02 Application of Bond Proceeds and Other Moneys	26
Section 4.03 Project Fund.	26
Section 4.04 Bond Fund.	30
Section 4.05 Reserve Fund; Standby Letter of Credit	32
Section 4.06 Costs of Issuance Fund	32
Section 4.07 Rebate Fund	32
Section 4.08 Investment of Funds	33
Section 4.09 Custody of Funds; Moneys to Be Held in Trust	34
Section 4.10 Final Balances	34
Section 4.11 Nonpresentment of Bonds	34
ARTICLE V GENERAL COVENANTS AND REPRESENTATIONS	35
Section 5.01 Payment of Principal or Redemption Price of and Interest on Bonds	35
Section 5.02 Instruments of Further Assurance	35
Section 5.03 Recordation and Filing	35

TABLE OF CONTENTS

(continued)

	Page
Section 5.04 No Modification of Security	35
Section 5.05 Reports	35
Section 5.06 Tax Covenants.....	36
Section 5.07 Concerning the GNMA Security.....	36
 ARTICLE VI DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS.....	 36
Section 6.01 Events of Default	36
Section 6.02 Acceleration	37
Section 6.03 Rights of Holders	37
Section 6.04 Rights of Holders to Direct Proceedings.....	37
Section 6.05 Waiver by Issuer	38
Section 6.06 Application of Moneys.....	38
Section 6.07 Remedies Vested in Trustee.....	39
Section 6.08 Remedies of Holders	39
Section 6.09 Termination of Proceedings	40
Section 6.10 Waivers of Events of Default.....	40
Section 6.11 Notice of Defaults; Opportunity of the Issuer, the Borrower and the GNMA Issuer to Cure Defaults.....	 40
 ARTICLE VII THE TRUSTEE.....	 41
Section 7.01 Certain Duties and Responsibilities.....	41
Section 7.02 Notice of Default	42
Section 7.03 Required Reporting.....	42
Section 7.04 Certain Rights of Trustee	42
Section 7.05 Not Responsible for Recitals or Issuance of Bonds.....	44
Section 7.06 Trustee May Hold Bonds.....	44
Section 7.07 Compensation.....	44
Section 7.08 Successor Trustee	44
Section 7.09 Resignation by the Trustee	44
Section 7.10 Removal of the Trustee.....	45
Section 7.11 Appointment of Successor Trustee by the Holders; Temporary Trustee.....	45
Section 7.12 Concerning Any Successor Trustee	45
Section 7.13 Trustee as Paying Agent and Bond Registrar; Additional Paying Agents	 46
Section 7.14 Successor Trustee as Trustee, Paying Agent and Bond Registrar	46
Section 7.15 Co-Trustee or Separate Trustee	46
Section 7.16 Representation by Trustee.....	48
Section 7.17 Interpretation of Intent.....	48
 ARTICLE VIII SUPPLEMENTAL INDENTURE	 48
Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders.....	48
Section 8.02 Supplemental Indentures Requiring Consent of Bondholders	49
Section 8.03 Amendments to Financing Agreement Not Requiring Consent of the Bondholders.....	 50
Section 8.04 Amendments to Financing Agreement Requiring Consent of Bondholders.....	 50
Section 8.05 Modification of Mortgage Loan Documents	51

TABLE OF CONTENTS

(continued)

	Page
ARTICLE IX SATISFACTION AND DISCHARGE OF INDENTURE.....	51
Section 9.01 Discharge of Lien.....	51
Section 9.02 Survival of Certain Provisions	52
ARTICLE X MISCELLANEOUS	52
Section 10.01 Consents and Other Instruments of Bondholders.....	52
Section 10.02 Limitation of Rights	53
Section 10.03 Severability	53
Section 10.04 Notices.....	54
Section 10.05 Payments Due on Saturdays, Sundays and Holidays	54
Section 10.06 Counterparts	54
Section 10.07 Situs of Contract	54
Section 10.08 No Recourse.....	54
Section 10.09 Successors and Assigns.....	54
Section 10.10 Books, Records and Accounts	54
Section 10.11 HUD and GNMA Requirements to Control.....	54
Section 10.12 HUD Regulations	55
Section 10.13 Enforcement Not to Affect Mortgage Loan or GNMA Security	55
EXHIBIT — FORM OF BOND.....	A-1
EXHIBIT — FORM OF SECTION 2.13 CERTIFICATE	B-1

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of March 1, 2012, between the **CITY OF CHICAGO**, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "**Issuer**"), and **SEAWAY BANK AND TRUST COMPANY**, a trust company duly organized and existing under the laws of the State of Illinois having its designated corporate trust office located in the City of Chicago, Illinois, as Trustee (such trustee or any of its successors in trust being the "**Trustee**").

RECITALS

WHEREAS, pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to the hereinafter defined Ordinance of the Issuer, the Issuer is authorized to exercise any power and perform any function pertaining to its government and affairs, including the power to issue its revenue bonds in order to aid in providing an adequate supply of residential housing for low and moderate income persons or families within the City of Chicago, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer; and

WHEREAS, the Issuer has determined to issue, sell and deliver \$2,274,400 aggregate principal amount of its Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA) (the "**Bonds**"), as provided herein for the purpose of financing the Mortgage Loan (as herein defined) and HUD (as herein defined) has issued its Firm Commitment dated November 15, 2011, as amended, to provide mortgage insurance with respect to such Mortgage Loan; and

WHEREAS, Enterprise Community Investment, Inc. (the "**GNMA Issuer**"), has agreed (a) to make a FHA-insured mortgage loan in the amount of \$2,274,400 (the "**Mortgage Loan**") to Community Housing Partners XV L.P., an Illinois limited partnership (the "**Borrower**"), and (b) to issue fully modified mortgage-backed securities that are guaranteed as to timely payment by the Government National Mortgage Association (each, a "**GNMA Security**" or collectively, "**GNMA Securities**"); and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of, premium, if any, and interest on the Bonds and a valid assignment and pledge of the right, title and interest of the Issuer (if any) in and to the GNMA Securities and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, 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 Bonds by the Holders thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, has executed and delivered this Indenture and does hereby bargain, sell, convey, pledge, assign and grant a security interest unto the Trustee in and to the following, subject only to the

provisions of this Indenture permitting the application thereof to the purposes and on the terms and conditions set forth herein (said property being herein referred to as the "**Trust Estate**"), to wit

GRANTING CLAUSES

For the equal and proportionate benefit, security and protection of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others of the Bonds:

A. All right, title and interest of the Issuer in and to the GNMA Securities, including all extensions and renewals of the term thereof, if any, including but without limiting the generality of the foregoing, the present and the continuing right to make claim for, collect, receive and receipt for any and all amounts due and payable under the GNMA Securities, to bring actions and proceedings under the GNMA Securities or for the enforcement thereof and to do any and all things that the owner of the GNMA Securities is or may be entitled to do, and all payments with respect to the GNMA Securities and any interest, profits and other income derived from the investment thereof; and

B. All right, title and interest of the Issuer in and to any and all funds, moneys and securities from time to time held under this Indenture by the Trustee in the Bond Fund, the Project Fund and the Reserve Fund, including, without limitation, the proceeds of any Bonds deposited in such funds, any investments of said funds, moneys or proceeds and any interest, profits and other income derived from any investment thereof; and

C. All right, title and interest of the Issuer in and to the Financing Agreement, including all extensions and renewals of the term thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, revenues, issues and profits and other sums of money payable by the Borrower or receivable by the Issuer under the Financing Agreement, whether payable pursuant to the Financing Agreement, to bring actions and proceedings under the Financing Agreement or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Financing Agreement, and all payments with respect to the Financing Agreement and any interest, profits, and other income derived from the investment thereof, but excluding and reserving, however, the rights of the Issuer, (a) to receive or inspect documentation, to make such other inspections as described in Section 4.2 of the Financing Agreement, and to give and receive notices under the Financing Agreement and this Indenture, (b) to execute and deliver (subject to the provisions of the Financing Agreement and this Indenture), or to decline to execute and deliver, supplements or amendments to the Financing Agreement or this Indenture and (c) to be held harmless, to be paid and reimbursed for its expenses and to be indemnified under Section 4.6 of the Financing Agreement, and to enforce such rights in its own name and for its own account and in its sole discretion to waive the same (collectively, the "**Reserved Rights**");

PROVIDED, HOWEVER, AND NOTWITHSTANDING THE FOREGOING, THE TRUST ESTATE SHALL NOT INCLUDE THE REBATE FUND OR ANY MONEYS OR INVESTMENTS REQUIRED TO BE DEPOSITED IN THE REBATE FUND;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever;

PROVIDED, HOWEVER, that if the Issuer or its successors or assigns shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner provided in Article IX hereof and if the Issuer shall keep, perform and observe, or cause to be kept, performed and observed, all its covenants, warranties and agreements contained herein, this Indenture and the estate and rights hereby granted shall, at the option of the Issuer, cease and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except funds held by the Trustee for the payment of interest on, premium, if any, and principal of the Bonds; otherwise this Indenture shall be and remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The terms defined in this Section 1.01 or in the Recitals hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01 or in the Recitals hereto.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy, insolvency or similar proceeding) by or against the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect.

"Affiliated Party" means the General Partner or an officer of the General Partner or any other partner of the Borrower, a Person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, or a Person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in Section 1563 (a) of the Code, except that more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein).

"Arbitrage Certificate" means the Arbitrage Certificate, dated the Issuance Date, between the Borrower and the Issuer relating to the Bonds.

"Authorized Denomination" means \$5,000 or any integral multiple thereof; provided that at any one time there may be one Bond with a denomination in an integral multiple of \$100.

"Authorized Issuer Representative" means any person or persons specifically authorized by ordinance to take the action intended.

"Authorized Borrower Representative" means any officer of the General Partner and any other authorized representative of the Borrower.

"Bond Counsel" means Greenberg Traurig, LLP or any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption 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 or the District of Columbia.

"Bond Fund" means the Bond Fund created in Section 4.01 hereof.

"Bond Register" has the meaning as set forth in Section 2.09 hereof.

"Bonds" means the Issuer's Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA) in the aggregate principal amount of \$2,274,400 issued under and secured by this Indenture.

"Borrower" means Community Housing Partners XV L.P., a limited partnership organized under the laws of the State of Illinois, and its successors and assigns.

"Building Loan Agreement" means the Building Loan Agreement between the Borrower and the GNMA Issuer, as the same may be amended, restated or supplemented from time to time.

"Business Day" means any day of the year on which (i) banks located in the City of Chicago and the city in which the principal office of the Trustee is located, are not required or authorized to remain closed and (ii) The New York Stock Exchange is not closed.

"Certificate of the Issuer," "Statement of the Issuer," "Request of the Issuer" and "Requisition of the Issuer" mean, respectively, a written certificate, statement, request or requisition, with or without the seal of the Issuer, signed in the name of the Issuer by an Authorized Issuer Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and if so combined shall be read and construed as a single instrument.

"CLC" means a construction loan certificate maturing on the CLC Maturity Date that is a GNMA Security which represents an amount advanced by the GNMA Issuer to the Borrower and which bears interest at the Pass-Through Rate.

"CLC Maturity Date" means April 15, 2015, or such later date as may be permitted pursuant to Section 4.03(c).

"Code" means the Internal Revenue Code of 1986, as amended, and any regulations thereunder applicable to the Bonds.

"Commencement of Amortization" means July 1, 2013, the date on which the Borrower is obligated to begin to repay principal of the Mortgage Loan, except as such date may be extended (i) in accordance with the provisions of Section 4.03(d) hereof and (ii) with the approval of HUD.

"Commitment" means that certain Commitment for Insurance of Advances dated November 15, 2011, as amended, from HUD related to the Project.

"Completion Date" means the date of the completion of the acquisition, rehabilitation and equipping of the Project, as that date shall be certified as provided in Section 4.8 of the Financing Agreement.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated the Issuance Date, between the Borrower and the Trustee, as dissemination agent, as the same may be amended, restated or supplemented from time to time.

"Costs of Issuance" means all items of expense payable or reimbursable directly or indirectly by the Borrower and related to the authorization, sale and issuance of the Bonds, including but not limited to expenses of printing, reproducing documents, filing and recording, costs incurred in arranging for the acquisition of the GNMA Securities, initial fees and charges of the Trustee, legal and other professional services and consultation, credit ratings, execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with any of the foregoing.

"Event of Default" means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default.

"FHA" means the Federal Housing Administration, an organizational unit within HUD, and may refer to the Commissioner thereof, any authorized representative thereof or the successor thereof.

"FHA Insurance" means the mortgage insurance for the Mortgage Loan by FHA under the provisions of Section 221(d)(4) of the National Housing Act and the regulations promulgated thereunder.

"Final Advance" means the final advance of the Mortgage Loan proceeds to the Borrower upon Final Endorsement.

"Final Endorsement" means the date on which the Mortgage Note is finally endorsed for mortgage insurance by FHA, following completion of the Project and compliance with the terms and conditions of the Commitment.

"Financing Agreement" means the Financing Agreement dated as of the date hereof among the Issuer, the Borrower and the Trustee, as the same may be amended, restated or supplemented from time to time.

"General Partner" means, collectively, Chicago Community Development Corporation, an Illinois corporation, and Hazel Winthrop NFP, an Illinois not-for-profit corporation, and their respective successors and assigns.

"GNMA" means the Government National Mortgage Association and its successors and assigns.

"GNMA Guaranty Agreement" means the GNMA Guaranty Agreement (relating to the GNMA Securities) between GNMA and the GNMA Issuer, together with all supplements thereto.

"GNMA Issuer" means Enterprise Community Investment, Inc. and its successors and assigns.

"GNMA Security" or **"GNMA Securities"** means a fully modified pass-through security in the form of a CLC or a PLC issued by the GNMA Issuer, registered in the name of the Trustee or its designee and guaranteed by GNMA as to timely payment of principal of and interest on a PLC and as to the timely payment of interest only until maturity and the timely payment of principal and interest at maturity on a CLC, pursuant to the GNMA I Mortgage Backed Securities Program under Section 306(g) of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder, backed by the Mortgage Loan made by the GNMA Issuer to finance the Project in accordance with the Mortgage Loan Documents, which Mortgage Loan is insured by the Secretary of HUD by and through the FHA.

"Government Obligations" means bonds, notes and other evidences of indebtedness of the United States of America or any agency or instrumentality thereof as to which the principal thereof and interest thereon are guaranteed by the United States of America. "Government Obligations" include direct United States Treasury obligations such as United States Treasury bills, bonds and notes and any stripped interests in such obligations (U.S. Treasury STRIPS). "Government Obligations" also include the obligations of federal departments or agencies of the United States government, including obligations of the Government National Mortgage Association (GNMA), the U.S. Maritime Administration, the Small Business Administration, the General Services Administration, the Federal Housing Administration (within HUD) and the Washington Metropolitan Transit Authority. "Government Obligations" do not include debt of U.S. government sponsored enterprises (GSEs).

"Holder" or **"Bondholder"** when used with respect to any Bond, means the Person in whose name such Bond is registered.

"HUD" means the United States Department of Housing and Urban Development, and its successors.

"HUD Regulatory Agreement" means the Regulatory Agreement for Multifamily Housing Projects (HUD Project No. 071-35838) with respect to the Project between the Borrower and HUD, as the same may be amended, restated or supplemented from time to time.

"Indenture" means this Trust Indenture and all indentures supplemental hereto.

"Initial Advance" means the first advance under the Mortgage Loan from Mortgage Loan proceeds by the GNMA Issuer to the Borrower.

"Initial CLC" means the CLC delivered by the GNMA Issuer to the Trustee with respect to the Initial Advance.

"Initial CLC Delivery Date" means the earlier of (a) the date on which the Initial CLC is delivered to the Trustee and (b) April 30, 2012, as such date may be extended pursuant to Section 4.03(c) hereof.

"Interest Payment Date" means each January 1 and July 1, commencing July 1, 2012.

"Interest Rate" means, with respect to a Bond, the applicable rate per annum as set forth in Section 2.01 hereof.

"Issuance Date" means March 14, 2012, the date of initial issuance and delivery of the Bonds.

"Issuer Fee" means an initial fee payable to the Issuer on the Issuance Date in an amount equal to 1.5% of the initial principal amount of the Bonds and, thereafter, 0.15% of the outstanding principal amount of the Bonds accruing monthly and payable semiannually in advance on the Issuance Date and thereafter on January 1 and July 1 of each year.

"Mortgage" means the mortgage from the Borrower to the GNMA Issuer securing the Mortgage Note, as the same may be amended, restated or supplemented from time to time.

"Mortgage Loan" means the mortgage loan to be made to the Borrower by the GNMA Issuer concurrently with the delivery of the Bonds and insured by FHA under the provisions of Section 221(d)(4) of the National Housing Act.

"Mortgage Loan Documents" means the Mortgage Note, the Mortgage, the HUD Regulatory Agreement, the Building Loan Agreement and other documents required by FHA in connection with the closing of the Mortgage Loan, as the same may be amended, restated or supplemented from time to time.

"Mortgage Note" means the mortgage note, in the form endorsed for mortgage insurance by FHA, made by the Borrower to the GNMA Issuer, evidencing the Borrower's obligation to the GNMA Issuer to repay the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Notice Address" means with respect to each of the Persons listed below the address set forth below until such time as such Person shall have notified each of the other Persons listed below of a new Notice Address.

If to the Issuer:	City of Chicago Department of Housing and Economic Development City Hall, Room 1000 121 North LaSalle Street, 11 th Floor Chicago, Illinois 60602 Attention: Commissioner Phone: 312-742-0871
-------------------	--

with copies to:

City of Chicago
Office of the Corporation Counsel
City Hall - Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Phone: 312-744-1574

and to:

City of Chicago
Department of Finance – Financial Policy
33 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Deputy Comptroller
Phone: 312-744-7106

If to the Borrower:

Community Housing Partners XV L.P.
c/o Chicago Community Development Corporation
36 South Wabash Avenue
Suite 1310
Chicago, Illinois 60603
Attention: Anthony J. Fusco, Jr.
Phone: 312-422-7700
Fax: 312-422-0708

with copies to:

Sugar, Felsenthal, Grais & Hammer LLP
30 North LaSalle Street
Suite 3000
Chicago, Illinois 60602
Attention: Douglas Antonio
Phone: 312-704-2189
Fax: 312-372-7951

and to:

Miner, Barnhill & Galland, P.C.
14 West Erie Street
Chicago, Illinois 60654
Attention: William Miceli
Phone: 312-751-1170
Fax: 312-751-0438

and to:

Enterprise Community Investment, Inc.
10227 Wincopin Circle
Suite 800
Columbia, Maryland 21044
Attention: General Counsel
Phone: 410-964-0552
Fax: 410-772-2630

If to the Trustee: Seaway Bank and Trust Company
645 East 87th Street
Suite 500
Chicago, Illinois 60619
Attention: Lois Jenkins
Phone: 773-602-4156
Fax: 773-846-4246

If to the GNMA Issuer: Enterprise Community Investment, Inc.
6340 Sugarloaf Parkway, Suite 200
Duluth, Georgia 30097
Attention: R. Ann Gurley, Director, FHA Operations
Phone: 770-367-4962

If to the Rating Agency: Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York, New York 10007
Phone: 212-553-0300
Fax: 212-553-4791
Attention: Public Finance Housing

"Notice by Mail" or "notice" of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Indenture mailed by first-class mail to the Holders of specified registered Bonds at the addresses shown in the Bond Register.

"Ordinance" means the ordinance adopted by the City Council of the Issuer on March 9, 2011, authorizing the issuance, sale and delivery of the Bonds.

"Outstanding," when used with respect to the Bonds, means all Bonds theretofore authenticated and delivered under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which money or obligations shall have been theretofore deposited with the Trustee in accordance with Article IX; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture.

"Participant" when used with respect to any Securities Depository means any participant of such Securities Depository.

"Pass-Through Rate" means the rate of interest on the GNMA Security which shall be 4.69% per annum while the Bonds are Outstanding.

"Paying Agent" or **"paying agent"** means the Trustee and its successors designated pursuant to this Indenture.

"Person" or **"Persons"** means one or more natural persons, firms, associations, partnerships, corporations, limited liability companies or public bodies.

"PLC" means the permanent loan certificate (which shall bear a "PN" designation) that is the GNMA Security issued after Final Endorsement which shall bear interest at the Pass-Through Rate and which shall be in a principal amount equal to the full principal amount of the Mortgage Loan upon Final Endorsement, minus any principal reduction payments made to the GNMA Issuer after Final Endorsement and prior to the dated date of the PLC and after giving effect to the principal payment due on the dated date of the PLC.

"PLC Delivery Date" means the earlier of (a) the date on which the PLC is delivered to the Trustee and (b) April 30, 2014, or such later date as may be permitted by the provisions of Section 4.03(d) hereof.

"PLC Issue Date" means the first day of the month in which the PLC is issued, but in no event later than April 1, 2014, unless extended pursuant to the provisions of Section 4.03(d) hereof.

"Project" means the acquisition, rehabilitation and equipping of a low income multi-family housing project located generally at 4509 North Hazel/852 West Sunnyside Avenue, 4426 North Magnolia Avenue, 912-914 West Montrose Avenue and 4813 North Winthrop Avenue, Chicago, Illinois and known as the "Hazel Winthrop Apartments."

"Project Costs" means, to the extent authorized by the Code, any and all costs incurred by the Borrower with respect to the acquisition, rehabilitation and equipping of the Project, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal, demolition or rehabilitation of existing structures, the rehabilitation of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and Borrower's overhead and supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made for the Project), and interest accrued during rehabilitation and prior to the Completion Date.

"Project Fund" means the Project Fund created in Section 4.01 hereof.

"Purchase and Sale Agreement" means that certain letter agreement with respect to the purchase and sale of the GNMA Securities dated as of March 1, 2012, between

the Trustee and the GNMA Issuer, as the same may be amended, restated or supplemented from time to time.

"Qualified Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the investment of the Issuer's funds:

- (a) Government Obligations;
- (b) Obligations of United States government sponsored enterprises, including obligations issued by the Federal National Mortgage Association (Fannie Mae), Resolution Funding Corporation (REFCORP), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Farm Bank Credits, Farm Credit System Financial Assistance Corp. (Farmer Mac) and the Tennessee Valley Authority;
- (c) Obligations issued by the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank and the Inter-American Development Bank;
- (d) Repurchase Agreements or guaranteed investment contracts acceptable to the Rating Agency where the provider of the repurchase agreement or guaranteed investment contract, as the case may be, is rated by the Rating Agency at least "P-1" (if the investment term is 36 months or less) or "Aa3" or "A-1/P-1" (if the investment term is greater than 36 months);
- (e) Deposits with banks (excluding holding companies and other related entities) which have a short-term rating by the Rating Agency of "P-1" and a long-term deposit or debt rating by the Rating Agency of at least "Aa3" or "A-1/P-1";
- (f) Commercial paper with a maturity of 366 days or less issued by a provider rated "P-1" by the Rating Agency;
- (g) No-load, open-end money market mutual funds (including those of the Trustee and its affiliates) registered under the Investment Company Act of 1940, *provided* the portfolio of such fund is limited to Government Obligations and such fund has been assigned a rating by the Rating Agency of "Aaa-mf"; and
- (h) Any other investment agreed upon in writing by the Issuer and the Borrower, which the Rating Agency indicates in writing will not adversely affect its rating of the Bonds.

"Qualified Project Costs" means Project Costs (excluding Costs of Issuance) paid after the 60th day preceding the adoption by the City Council of the Issuer of its "inducement" resolution for the Bonds, which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts within the meaning of Code Regulation 1.103-8(a)(1)(i); *provided, however*, that only such portion of interest accrued during

rehabilitation of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and *provided, further*, that interest accruing after the Completion Date shall not be a Qualified Project Cost; and *provided still further* that, if any portion of the Project is being constructed by an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by such Affiliated Party in rehabilitating the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliated Party and (c) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof).

"Rating Agency" means Moody's Investors Service, or its successor, if such rating agency is then maintaining a rating on the Bonds, and any other nationally recognized securities rating agency to which the Issuer has applied for a rating on any Outstanding Bonds and which rating is currently in effect.

"Rebate Analyst" means a firm or individual expert in the calculation of arbitrage rebate under Section 148 of the Code selected by the Borrower and acceptable to the Issuer.

"Rebate Analyst Fee" means an amount equal to \$1,000 per year payable to the Rebate Analyst (which amount shall be proportionately reduced to the extent that the Bonds are partially redeemed pursuant to Section 3.01(a) or (c) hereof).

"Rebate Fund" means the Rebate Fund created in Section 4.01 hereof.

"Redemption Date" means any date fixed by the Trustee on which Bonds are redeemed in accordance with this Indenture.

"Registrar" means the Trustee, or any successor Registrar, appointed in accordance with Section 2.09 of this Indenture. "Principal Office" of the Registrar shall mean the principal corporate trust office of the Trustee if the Trustee is serving as Registrar, and with respect to any other Registrar shall mean the office thereof designated in writing to the Trustee.

"Regular Record Date" means, with respect to an Interest Payment Date, the close of business on the 15th day of the calendar month preceding such Interest Payment Date whether or not a Business Day.

"Regulatory Agreement" means the Land Use Restriction Agreement dated as of March 1, 2012, by and between the Borrower and the Issuer.

"Reserve Fund" means the Reserve Fund created in Section 4.01 hereof.

"Seasoned Funds" means (i) moneys deposited by the Borrower with the Trustee and so designated by the Borrower which moneys shall have been held by the Trustee for at least 366 days prior to the date such moneys are to be used to make payments on the Bonds, *provided* that no Act of Bankruptcy shall have occurred during such 366-day period after such moneys were deposited with the Trustee (as evidenced by a certificate of the Borrower, a General Partner or any guarantor, as applicable, to the effect that no Act of Bankruptcy has

occurred during such period), (ii) moneys with respect to which there has been delivered to the Trustee an opinion of nationally recognized bankruptcy counsel (which opinion shall be acceptable to the Rating Agency) to the effect that payment of such moneys to the bondholders in payment of principal of, premium or interest on the Bonds will not constitute a preferential payment recoverable under Section 547 of the United States Bankruptcy Code and will not be subject to, or will promptly be released from, the automatic stay provided for in Section 362(a) of the United States Bankruptcy Code in the event of the bankruptcy of the Borrower, any General Partner or any guarantor of the Borrower or the Issuer, or (iii) moneys received by the Trustee pursuant to the GNMA Securities.

"Securities Depository" means any securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as a securities depository for the Bonds.

"Sinking Fund Installments" means the amounts required to be paid in connection with the mandatory redemption of Bonds pursuant to Section 3.01(b) hereof.

"Special Record Date" means the date and time established by the Trustee for the determination of which Holders shall be entitled to receive overdue interest on the Bonds pursuant to Section 2.02 hereof.

"State" means the State of Illinois.

"Supplemental Indenture" means a supplement to this Indenture being authorized and executed pursuant to Section 8.01 or Section 8.02 hereof.

"Trust Estate" means the property rights, money, securities and other amounts pledged and assigned pursuant to the Granting Clauses of this Indenture.

"Trustee Fee" means initially, \$9,000, payable on the Issuance Date, and thereafter \$4,500 per year (which includes the \$500 annual fee due to the Trustee, as dissemination agent pursuant to any related Continuing Disclosure Agreement) payable on April 1 of each year, commencing April 1, 2013 (which amount shall be proportionately reduced to the extent that the Bonds are partially redeemed pursuant to Section 3.01(a) or (c) hereof).

Section 1.02 Interpretation. Reference to Articles, Sections, and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Indenture. The headings of this Indenture are for convenience only and do not define or limit the provisions hereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

ARTICLE II

THE BONDS

Section 2.01 Issuance of Bonds. The Bonds shall be issued in the aggregate principal amount of \$2,274,400; shall be designated "Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA)"; shall be issued only as fully

registered bonds; and shall be in the Authorized Denominations requested by the Holder (*provided, however*, that each Bond shall have only one principal maturity date). Unless the Issuer shall otherwise direct, the Bonds shall be numbered from R-1 upward.

Each Bond shall be in the form attached as **Exhibit A** to this Indenture, shall be dated the Issuance Date, and shall bear interest until paid from the most recent date to which interest has been duly paid or provided for or, if no interest has been paid or duly provided for, from the Issuance Date.

Interest on the Bonds is payable on July 1, 2012, and on each January 1 and July 1 thereafter (the "**Interest Payment Dates**"). Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds shall mature on July 1, 2053, and shall bear interest at 2.00% per annum through and including December 31, 2012 and thereafter shall bear interest at 4.15% per annum.

No bonds in addition to the Bonds may be issued under this Indenture.

Section 2.02 Payment of Bonds. Payment of principal, premium, if any, and interest shall be made in lawful money of the United States of America. Principal of and premium, if any, on the Bonds due upon maturity or earlier redemption in whole shall be paid only upon presentation and surrender thereof for cancellation at the principal corporate trust office of the Trustee or at the principal office of any additional paying agent appointed pursuant to Section 7.13 hereof to the Person appearing on the registration books as the registered Holder thereof. Payment of the interest and principal (other than as set forth above) on any Bond shall be made to the Person whose name appears on the Bond Register as the registered Holder thereof as of the close of business on the Regular Record Date applicable to such Interest Payment Date, such interest to be paid by check or draft mailed to such registered Holder at his or her address as it appears on such Bond Register, notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; *provided, however*, that payment of interest on any Interest Payment Date shall be made by wire transfer to the Holder as of the close of business on the Regular Record Date upon written notice of such wire transfer address in the continental United States of America by such Holder to the Trustee given prior to such Regular Record Date (which notice may provide that it will remain in effect until revoked), and *further provided* that such wire transfer shall only be made with respect to an owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on the Regular Record Date relating to such Interest Payment Date.

If the funds available under this Indenture are insufficient on any Interest Payment Date to pay the interest then due, the Regular Record Date shall no longer be applicable with respect to the Bonds. If sufficient funds for the payment of such overdue interest thereafter become available, the Trustee shall immediately establish a special interest payment date for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Holders entitled to such payments. Notice of such day so established shall be given by first-class mail by the Trustee to each Holder at least 10 days prior to the Special Record Date, but not more than 30 days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Person whose name appears on the Bond Register as the Registered Holder thereof as of the close of

business on the Special Record Date. Prior Holders of Bonds who transfer or exchange Bonds prior to such Special Record Date shall have no rights with respect to the payment of overdue interest on the Bonds so transferred or exchanged.

Section 2.03 Restriction on Issuance of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder, other than Bonds issued pursuant to the provisions of Sections 2.08 and 2.10 hereof or in substitution for other Bonds, is expressly limited to the amount set forth in Section 2.01.

Section 2.04 Limited Obligations. The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the revenues, receipts and security pledged therefor in the Granting Clauses hereof. The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State, or any political subdivision of the State within the meaning of any constitutional or statutory provisions. Neither the Issuer, the State nor any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Issuer, the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.05 Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be deemed to be a part of, and continue to be, a contract between the Issuer and the Holders of the Bonds from time to time.

Section 2.06 Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor or Chief Financial Officer, attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk, under the official seal, or a facsimile thereof, of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed said Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds.

In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery, and also any Bond may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Section 2.07 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form on the attached **Exhibit A** set forth duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of

authentication shall have been duly executed manually by the Trustee; and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication of all of the Bonds.

Section 2.08 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond, of like date, interest rate, maturity and denomination as that mutilated, lost, stolen or destroyed. Any mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction reasonably satisfactory to them together with indemnity reasonably satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Trustee may pay the same without surrender thereof. The Issuer and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses, including the cost of printing replacement Bonds.

Every new Bond issued pursuant to this Section shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer, whether or not the mutilated, lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, stolen or destroyed Bonds and shall preclude any and all rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.09 Transfer and Exchange of Bonds; Persons Treated as Holders. The Trustee as Registrar shall cause a bond register (herein sometimes referred to as the "**Bond Register**") to be kept for the registration of transfers of Bonds. Any Bond may be transferred only upon an assignment duly executed by the registered Holder or his or her duly authorized representative in such form as shall be satisfactory to the Registrar, and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a replacement fully registered Bond or Bonds of Authorized Denomination in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being presented and surrendered for transfer.

Any Bond may, in accordance with its terms, be exchanged, at the office of the Trustee, for a new fully registered Bond or Bonds, of the same maturity, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Bonds being exchanged.

In all cases in which Bonds shall be transferred or exchanged hereunder, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid limited obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer or exchange. Neither the Issuer nor the Trustee shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business 15 days before (i) any Interest Payment Date (including any special interest payment date described in Section 2.02 hereof), or (ii) the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or such Interest Payment Date, or to transfer or exchange any Bonds selected for redemption, in whole or in part.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium and interest on any such Bond shall be made only to or upon the order of the registered Holder thereof or his legal representative, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

Section 2.10 Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon the request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, temporary printed, typewritten, engraved or lithographed Bonds, in such Authorized Denomination as shall be determined by the Issuer, in fully registered form, in substantially the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal corporate trust office of any temporary Bonds, shall cancel the same and authenticate and deliver in exchange therefor, without charge to the holder or owner thereof, a definitive Bond or Bonds, as the case may be, of an equal aggregate principal amount in Authorized Denominations, of the same series and maturities and bearing interest at the same rates as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder. Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid in the manner provided in Section 2.02 hereof.

Section 2.11 Safekeeping and Cancellation of Bonds. Any Bond surrendered for the purpose of payment or retirement, or for exchange, or for replacement or payment pursuant to Section 2.08, shall be cancelled upon surrender thereof to the Trustee. Certification of such surrender and cancellation shall be made to the Issuer by the Trustee. Cancelled Bonds, or unissued Bond inventory held in blank by the Trustee upon the maturity or total redemption of the Bonds, shall be destroyed by shredding or cremation by the Trustee, and certificates of such destruction (describing the manner thereof) shall be provided by the Trustee to the Issuer.

Section 2.12 Book-Entry Provisions. The provisions of this Section shall apply so long as the Bonds are maintained in book-entry form with The Depository Trust Company or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding.

(a) Payments. The Bonds shall be payable to the Securities Depository, or its nominee, as the registered owner of the Bonds, on each date on which the principal of, interest on, and premium, if any, on the Bonds is due as set forth in this Indenture and in the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Issuer and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Issuer and the Securities Depository may agree in writing to make payments of principal, premium, if any, and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the Issuer shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as set forth herein. Neither the Issuer nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, interest on, and premium, if any, on the Bonds to Participants or the beneficial owners of the Bonds or their nominees.

(b) Replacement of the Securities Depository. The Issuer may, and in the case of clauses (ii) or (iii) below shall, discontinue use of a Securities Depository as the depository of the Bonds or (iii) if (i) the Issuer, in its sole discretion, determines that (A) such Securities Depository is incapable of discharging its duties with respect to the Bonds, or (B) the interest of the beneficial owners of the Bonds might be adversely affected by the continuation of the book-entry system with such Securities Depository as the depository for the Bonds, (ii) the beneficial owners of 100% of the Bonds Outstanding direct the Issuer to do so, or (iii) such Securities Depository determines not to continue to act as a depository for the Bonds or is no longer permitted to act as such depository. Notice of any determination pursuant to clause (i) shall be given to such Securities Depository at least 30 days prior to any such discontinuation (or such fewer number of days as shall be acceptable to such Securities Depository). The Issuer shall have no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any determination described in this paragraph.

(c) Discontinuance of Book-Entry or Change of Securities Depository. If, following a determination or event specified in paragraph (b) above, the Issuer discontinues the maintenance of the Bonds in book-entry form with the then current Securities Depository, the Issuer will issue replacement Bonds to the successor Securities Depository, if any, or, if no replacement Securities Depository is selected for the Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant or if directed to do so by the beneficial owners of 100% of the Bonds Outstanding pursuant to subparagraph (b) above, to the beneficial owners of the Bonds shown on the records of such Participant. Replacement Bonds shall be in fully registered form and in authorized denominations, be payable as to interest on the Interest Payment Dates of the Bonds by check or draft mailed to each registered owner at the address of such owner as it appears on the bond registration books maintained by the Bond Registrar for such purpose at the principal corporate trust office of the Trustee or at the option of any registered owner of not less than \$1,000,000 principal amount of Bonds, by wire transfer to any address in the continental United States of America on such Interest Payment Date to such registered owner as of the Regular Record Date relating to such Interest Payment Date, if such registered owner provides the Trustee with written notice of such wire transfer address not later than such Regular Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or

revoked by subsequent notice). Principal and redemption premium, if any, on the replacement Bonds are payable only upon presentation and surrender of such replacement Bond or Bonds at the principal corporate trust office of the Trustee.

(d) Effect of Book-Entry System. The Securities Depository and its Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the Issuer and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Bonds, nor shall the Issuer or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Bonds.

Section 2.13 Delivery of the Bonds. Upon execution and delivery of this Indenture, the Trustee shall authenticate and deliver the Bonds upon the order of the Issuer, but only upon the receipt of the following:

- (a) An order of the Issuer directing the Trustee to authenticate and deliver the Bonds against receipt of the purchase price therefor;
- (b) A certified copy of the Ordinance;
- (c) An approving opinion of Bond Counsel regarding the validity of the Bonds and the exclusion of interest on the Bonds from federal income taxation;
- (d) An executed copy of the Purchase and Sale Agreement;
- (e) Copies of the executed FHA-insured Mortgage Note and Mortgage;
- (f) An executed copy of the Financing Agreement;
- (g) An executed counterpart of the Continuing Disclosure Agreement;
- (h) A certification of the GNMA Issuer (substantially in the form of **Exhibit B** hereto) that it has sufficient commitment authority to issue the GNMA Securities;
- (i) An opinion of counsel to the GNMA Issuer to the effect that the GNMA Issuer is under the GNMA authorized commitment authority authorized to issue the GNMA Securities in an aggregate principal amount equal to at least \$2,274,400;
- (j) Evidence of recordation of the Regulatory Agreement (which may be in the form of a title company certified copy); and
- (k) a rating letter from the Rating Agency indicating that the Bonds are rated "Aaa".

ARTICLE III

REDEMPTION AND OPTIONAL TENDER OF BONDS

Section 3.01 Redemption of Bonds.

(a) Extraordinary Mandatory Redemption. The Bonds are subject to mandatory redemption prior to maturity on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to Section 3.03 hereof, unless otherwise provided, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date without premium:

(i) in whole on the earliest practicable date (but not more than 15 days after the Initial CLC Delivery Date) if the Initial CLC in the amount of at least \$325,000 is not delivered to the Trustee by the Initial CLC Delivery Date (or such later date as shall be permitted under Section 4.03(c) of this Indenture) from amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund;

(ii) in whole, without notice, if the PLC is not delivered to the Trustee by the PLC Delivery Date (or such later date as shall be permitted under Section 4.03(d) of this Indenture) (A) on the earliest practicable date (but not more than 15 days) following the PLC Delivery Date, initially in a principal amount equal to all funds remaining in the Project Fund and (B) thereafter, on the earliest practicable date (but not more than 15 days) following the CLC Maturity Date, the remaining principal amount upon receipt of the principal amount of any CLC;

(iii) in part without notice, on the earliest practicable date after the PLC Delivery Date (but not more than 15 days) to the extent that the principal balance of the PLC delivered to the Trustee is less than \$2,274,400 for any reason other than because a portion of the Mortgage Loan has been amortized, in a principal amount equal to the amount remaining in the Project Fund plus any prepayments on the CLCs; to the extent the PLC is delivered in an amount less than the principal amount of the Mortgage Note at Final Endorsement because of amortization of the Mortgage Loan, as certified by the GNMA Issuer, from monies on deposit in the General Account of the Bond Fund in an amount equal to such amortized amount shall be transferred to the Bond Fund; or

(iv) as a whole or in part, if the Trustee receives payments on the GNMA Securities exceeding regularly scheduled payments of principal and interest thereon (other than optional prepayments of the Mortgage Loan or amortization payments prior to the issuance of the PLC), including payments representing (A) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project, (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan following the acceleration thereof upon the occurrence of an event of default thereunder, (C) a prepayment of the Mortgage Loan required by applicable rules, regulations, policies and procedures of HUD or GNMA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of the Mortgage Note if HUD determines that prepayment of the Mortgage Loan will avoid a mortgage insurance claim and is therefore in the best interest of the Federal government), or (D) prepayments on the GNMA Security derived from prepayments on the Mortgage Loan made by the Borrower without notice or prepayment penalty while under the supervision of a trustee in bankruptcy.

If less than all the Bonds then outstanding shall be called for redemption, Bonds to be redeemed shall be selected as provided in Section 3.02 hereof.

(b) Mandatory Sinking Fund Redemption of Bonds. Bonds are subject to mandatory redemption prior to maturity by lot, at a redemption price of par, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay on January 1 and July 1 of each year specified below the respective principal amount of such Bonds specified for each such date, as hereinafter set forth:

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>
July 1, 2015	\$34,400	July 1, 2035	\$30,000
January 1, 2016	\$10,000	January 1, 2036	\$30,000
July 1, 2016	\$10,000	July 1, 2036	\$30,000
January 1, 2017	\$10,000	January 1, 2037	\$30,000
July 1, 2017	\$10,000	July 1, 2037	\$30,000
January 1, 2018	\$10,000	January 1, 2038	\$30,000
July 1, 2018	\$10,000	July 1, 2038	\$30,000
January 1, 2019	\$10,000	January 1, 2039	\$35,000
July 1, 2019	\$15,000	July 1, 2039	\$35,000
January 1, 2020	\$15,000	January 1, 2040	\$35,000
July 1, 2020	\$15,000	July 1, 2040	\$35,000
January 1, 2021	\$15,000	January 1, 2041	\$35,000
July 1, 2021	\$15,000	July 1, 2041	\$35,000
January 1, 2022	\$15,000	January 1, 2042	\$35,000
July 1, 2022	\$15,000	July 1, 2042	\$35,000
January 1, 2023	\$15,000	January 1, 2043	\$40,000
July 1, 2023	\$15,000	July 1, 2043	\$40,000
January 1, 2024	\$15,000	January 1, 2044	\$40,000
July 1, 2024	\$15,000	July 1, 2044	\$40,000
January 1, 2025	\$15,000	January 1, 2045	\$40,000
July 1, 2025	\$15,000	July 1, 2045	\$45,000
January 1, 2026	\$15,000	January 1, 2046	\$45,000
July 1, 2026	\$15,000	July 1, 2046	\$45,000
January 1, 2027	\$20,000	January 1, 2047	\$45,000
July 1, 2027	\$20,000	July 1, 2047	\$45,000
January 1, 2028	\$20,000	January 1, 2048	\$50,000
July 1, 2028	\$20,000	July 1, 2048	\$50,000
January 1, 2029	\$20,000	January 1, 2049	\$50,000
July 1, 2029	\$20,000	July 1, 2049	\$50,000
January 1, 2030	\$20,000	January 1, 2050	\$50,000
July 1, 2030	\$20,000	July 1, 2050	\$50,000
January 1, 2031	\$25,000	January 1, 2051	\$55,000
July 1, 2031	\$25,000	July 1, 2051	\$55,000
January 1, 2032	\$25,000	January 1, 2052	\$55,000
July 1, 2032	\$25,000	July 1, 2052	\$60,000
January 1, 2033	\$25,000	January 1, 2053	\$60,000
July 1, 2033	\$25,000	July 1, 2053	\$60,000
January 1, 2034	\$25,000		
July 1, 2034	\$25,000		
January 1, 2035	\$25,000		

(c) Optional Redemption of Bonds. The Bonds are also subject to redemption at the option and direction of the Borrower in whole or in part at any time, on or after the later of the PLC Delivery Date or April 1, 2016 (and then at the earliest practical date for which notice of redemption can be given by the Trustee pursuant to Section 3.03 hereof), from (i) payments on the GNMA Securities representing optional prepayments on the Mortgage Loan, (ii) Seasoned Funds, (iii) refunding bond proceeds or (iv) any other source provided that the Trustee shall have received an opinion of Bond Counsel or bankruptcy counsel to the effect that moneys derived from such other source are not subject to the provisions of Sections 362(a), 547 and 550 of the United States Bankruptcy Code at the redemption price set forth below, plus accrued interest to the Redemption Date:

April 1, 2016 through March 31, 2017	106%
April 1, 2017 through March 31, 2018	105%
April 1, 2018 through March 31, 2019	104%
April 1, 2019 through March 31, 2020	103%
April 1, 2020 through March 31, 2021	102%
April 1, 2021 through March 31, 2022	101%
April 1, 2022 and thereafter	100%

(d) Mandatory Redemption of Bonds Upon Termination of Agreement by Issuer Under Section 5.2 of Financing Agreement. After the PLC Delivery Date, subject to the last sentence of this paragraph, the Bonds will be redeemed in whole within 30 days after the Borrower and the Trustee receive written notice from the Issuer of a termination of the Financing Agreement and the Bonds pursuant to Section 5.2 of the Financing Agreement but no sooner than the first day on which the Bonds are subject to optional redemption under Section 3.01(c) hereof. Such redemption shall be at a redemption price equal to the principal amount of the Bonds plus accrued interest to the redemption date plus a premium equal to any optional redemption premium which would be payable if the Bonds were optionally redeemed on such date in accordance with the provisions under "Optional Redemption of Bonds" in Section 3.01(c) above. Notwithstanding the foregoing, the Bonds shall not be redeemed under this Section 3.01(d) (and notice of such redemption shall not be mailed by the Trustee) unless and until the Borrower provides moneys described in clauses (i) through (iv) of Section 3.01(c) hereof in an amount sufficient to pay the full redemption price of the Bonds.

Section 3.02 Selection of Bonds for Redemption.

(a) If less than all the Bonds shall be called for extraordinary mandatory redemption pursuant to Section 3.01(a)(iii) for any reason other than amortization prior to delivery of the PLC, the Trustee shall determine the amount of principal payments under the Mortgage Note that have been made prior to the purchase of the PLC (including any principal payment due on the dated date of the PLC) as determined under Section 4.03(b)(iii)(B), and the Trustee shall transfer from the Project Fund to the Bond Fund an amount equal to the amount of principal payments so made. The Trustee shall redeem (and adjust the mandatory sinking fund schedules set forth in Section 3.01(b)

accordingly), an amount of Bonds of each maturity so that the resulting decrease in debt service on the Bonds during each six-month period ending on each Interest Payment Date, is proportional, as nearly as practicable, to the decrease in the payment on the GNMA Securities in each six-month period. If less than all of the Bonds are to be called for optional redemption or pursuant to Section 3.01(a)(iv), the Trustee shall redeem (and adjust the mandatory sinking fund schedules set forth in Section 3.01(b) above accordingly), an amount of Bonds of each maturity so that the resulting decrease in debt service on the Bonds during each six-month period ending on each Interest Payment Date, is proportional, as nearly as practicable, to the decrease in the payments on the GNMA Securities in each six-month period. The decrease in the payments on the GNMA Securities shall be determined by comparing the originally scheduled payments on the GNMA Securities (as submitted by the Rating Agency in connection with the initial rating of the Bonds) to the revised schedule of payments on the GNMA Securities as set forth in the certificate of the GNMA Issuer required by Section 4.04(i). In each case, the determination by the Trustee shall be based upon either a verified cash flow report by a nationally recognized firm of certified public accountants or financial consultants acceptable to the Issuer or the underwriter for the Bonds or a written confirmation from the Rating Agency to the effect that such partial redemption will not result in a decrease or withdrawal of its rating on the Bonds.

(b) If less than all the Bonds of any maturity then Outstanding shall be called for redemption, the Bonds (or portions of Bonds in the Authorized Denominations) of such maturity to be redeemed shall be selected by the Trustee by lot.

(c) The portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination, and, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000; provided that one Bond may be in an Authorized Denomination in an integral multiple of \$100.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Issuer shall execute and the Trustee shall authenticate and deliver to or upon the order to such Holder or his legal representative, without charge therefor, for the unredeemed portion of the Bond so surrendered a Bond of the same maturity and bearing interest at the same rate.

Section 3.03 Notice of Redemption. Except in the case of a redemption pursuant to Section 3.01(d) hereof, unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail or facsimile to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Bond Register, not less than 15 days (or 10 days in the case of Section 3.01(a)(i)) nor more than 45 days prior to the date fixed for redemption. Except in the case of mandatory sinking fund redemptions pursuant to Section 3.01(b) hereof, the Trustee shall not mail a notice of redemption until it has received funds to affect such redemption. As provided in Section 3.01(a) hereof, the Trustee shall redeem any Bonds to be redeemed under said Section 3.01(a) on the earliest practicable date for which notice can be given by the Trustee under this Section 3.03 and shall provide the shortest practicable notice period permitted hereunder.

All official notices of redemption shall be dated and shall state:

- (a) the Redemption Date,
- (b) the redemption price,
- (c) if less than all Outstanding Bonds are to be redeemed, the identification and the respective principal amounts of the Bonds to be redeemed,
- (d) that on the Redemption Date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee.

In addition to the foregoing official notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any delay in giving such notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if the official notice thereof is given as above prescribed.

(i) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(ii) Each further notice of redemption shall be sent at least 30 days before the Redemption Date by registered or certified mail or overnight delivery service or facsimile to all registered security depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(iii) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Failure to duly give official notice of redemption by mail or any defect therein shall not affect the validity of the proceedings for the redemption of any Bond or Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered Holder receives notice.

Additionally, in the event of an optional redemption of Bonds on a date on which the redemption price includes a redemption premium, the Trustee shall not give notice of such redemption unless the Trustee shall have received: (a) written notice of prepayment from the

GNMA Issuer or the Borrower not less than 45 days prior to the applicable scheduled GNMA prepayment date; (b) at least 15 days prior to the anticipated GNMA prepayment date, written notice from the GNMA Issuer of its receipt of the amount of the prepayment, which amount shall include the principal to be prepaid under the GNMA Security plus accrued interest through the last day of the preceding month; (c) the prepayment premium from the Borrower in Seasoned Funds; and (d) a written certificate of the Borrower, upon which the Trustee may conclusively rely, that no Act of Bankruptcy has occurred during the 366-day period prior to the deposit by the Borrower of the prepayment premium with the Trustee, *provided* that if the Trustee shall receive a written commitment by the GNMA Issuer (with the written consent of GNMA) to make or pass through payment of the required prepayment premium with the prepaid principal amount, then the requirements of (c) and (d) shall no longer apply. The Borrower is required under the Financing Agreement to cause additional amounts, if any, necessary to effect the redemption of the Bonds to be paid to the Trustee, if any, to assure payment of all interest due on the Bonds to the Redemption Date, taking into account the anticipated earnings on the reinvestment of funds held under the Indenture, or to deposit such amounts with the Trustee, *provided* that the payment of such amounts meets the requirements of (c) and (d) above.

Section 3.04 Effect of Notice of Redemption. Notice of Redemption having been given in the manner provided in this Article III, and money sufficient for the redemption being held by the Trustee for that purpose, the Bonds so called for redemption shall become due and payable on the Redemption Date, and interest thereon shall cease to accrue on such date; and the Holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price for such Bonds and, to the extent provided in Section 3.02 hereof, to receive Bonds for any unredeemed portions of such Bonds.

Section 3.05 Cancellation. All Bonds which shall have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer.

Section 3.06 Optional Tender of Bonds at Direction of a Beneficial Owner of All of the Outstanding Bonds. Provided there is then a single beneficial owner of all of the Bonds, then at the option of and upon at least 30 days written notice from the Bondholder to the Borrower, the Issuer and the Trustee, the Bonds may be optionally tendered in whole (and not in part) to the Trustee on any date on or after the first day of the second month following the date of delivery of the PLC to the Trustee. Upon tender of the Bonds, the Trustee shall transfer to the Bondholder, as full consideration for the tender price, ownership of the PLC, together with accrued interest on the PLC (calculated at the Pass-Through Rate) through the date of the tender and any payment received on the PLC prior to the tender date (not already used to pay interest and principal on the Bonds). In connection with this exchange, the Trustee must also pay to the Bondholder all payments on the PLC that the Trustee has received, but not yet remitted to the Bondholder. Upon surrender of the GNMA Securities and such amounts to such beneficial owner, the Bonds shall be deemed paid and no longer Outstanding under this Indenture and shall be cancelled by the Trustee pursuant to Section 3.05 hereof.

Upon any such tender, the Bondholder by its tender and acceptance of the PLC, acknowledges and agrees that the Borrower and the GNMA Issuer have the right (and in fact now intend) to apply to HUD from and after the date of receipt of notice of the tender to reduce the interest rate on the Mortgage Note by 54 basis points, such amount being the amount

necessary to reflect the fact that the Trustee Fee, the Issuer Fee and the Rebate Analyst Fee will no longer be payable, and that the interest rate on the PLC will (if the Mortgage Note rate reduction is approved by HUD) be correspondingly reduced.

ARTICLE IV

FUNDS; INVESTMENTS

Section 4.01 Establishment of Funds. The following funds are hereby established and shall be maintained by the Trustee under this Indenture and held in trust by the Trustee for the benefit of the Bonds:

- (a) Project Fund;
- (b) Bond Fund;
- (c) Reserve Fund;
- (d) Costs of Issuance Fund; and
- (e) Rebate Fund.

Section 4.02 Application of Bond Proceeds and Other Moneys. Upon delivery of the Bonds, the proceeds thereof shall be deposited with the Trustee, together with \$80,000 from proceeds of the Issuer's Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012B (the "**Series 2012B Bonds**") and \$370,356 received as an equity contribution from the Borrower, and shall be applied as follows:

- (a) \$80,000 (from Series 2012B Bond proceeds) shall be deposited in the Reserve Fund; and
- (b) \$2,274,400 (from Bond proceeds) shall be deposited in the Project Fund; and
- (c) \$370,356 (from Borrower equity) shall be deposited in the Costs of Issuance Fund.

Section 4.03 Project Fund.

(a) The Trustee shall deposit into the Project Fund the amounts required by Section 4.02(b) and any amounts paid to the Trustee for deposit into the Project Fund in accordance with Section 4.03(c) or Section 4.03(d). The Trustee shall invest such proceeds pursuant to Section 4.08 hereof and shall do so such that funds will be timely available in advance of the date such funds are needed to fund advances hereunder. No funds shall be advanced from the Project Fund prior to recordation of the Regulatory Agreement.

- (b) Moneys in the Project Fund shall be disbursed by the Trustee as follows:

(i) On each date upon which the Trustee acquires from the GNMA Issuer a CLC, the Trustee shall transfer simultaneously to the GNMA Issuer in payment thereof from the Project Fund moneys then on deposit therein such amount as shall be equal to 100% of the principal amount of such CLC. Accrued and unpaid interest on such CLC at the Pass-Through Rate shall be transferred simultaneously to the GNMA Issuer from the Reserve Fund.

(ii) Without limiting the provisions of subsection (b)(i) above, with respect to the acquisition of the Initial CLC, the Trustee must receive, in addition to a requisition signed by the Borrower in the form required by the Financing Agreement, the items specified in Section 3.2(a) of the Financing Agreement to be delivered in connection with the Initial Advance.

(iii) Following the delivery to the Trustee of the Initial CLC, the Trustee shall disburse from the Project Fund to the GNMA Issuer, on behalf of the Owner, the amount necessary to purchase each CLC issued for a subsequent advance of the Mortgage Loan, determined in accordance with the Purchase and Sale Agreement, but only if the Trustee has (A) received the CLC representing the current advance (the CLC shall be delivered to the Trustee simultaneously with payment by the Trustee of the purchase price therefor), (B) if the disbursement by the Trustee is to purchase the PLC and the aggregate principal amount of the PLC then being issued is less than \$2,274,400 notification of (x) the amount, if any, of FHA-required reduction of the Mortgage Loan at Final Endorsement and (y) the amount, if any, of scheduled principal amortization payments under the Mortgage Loan prior to the acquisition of the final CLC by the Trustee, (C) confirmed that the requirements of Section 4.03(d) and 4.04(g) will be satisfied, and (D) received notice of the amount of such disbursement no later than two Business Days prior to such disbursement; *provided; however*, that the Trustee shall not purchase CLCs in an aggregate principal amount in excess of \$2,274,400 and shall not purchase the PLC if its principal amount exceeds \$2,274,400 and *provided further, however*, that the Trustee shall not purchase any CLC unless, immediately after such purchase, the amount on deposit in the Project Fund will at least be equal to the sum of \$2,274,400 minus the sum of (i) the principal amount of the CLC being purchased and (ii) the aggregate principal amount of all CLCs previously delivered to the Trustee or requested from GNMA.

(iv) The Trustee shall acquire the PLC by surrendering to the GNMA Issuer for cancellation concurrently with such payment all CLCs owned by the Trustee, plus accrued and unpaid interest, *provided* that the PLC shall have a principal amount equal to the aggregate principal amount of outstanding CLCs (less scheduled amortization and any mortgage reduction required by HUD) and shall be dated the first day of the month in which the PLC is acquired. In the event that the principal amount of the PLC shall be less than the aggregate principal amount of all CLCs, the GNMA Issuer shall pay to the Trustee the difference in cash, and the Bonds shall be subject to partial redemption as provided in Section 3.01(a)(iii) hereof.

(c) If the Initial CLC in an amount of at least \$325,000 is not delivered on or by the Initial CLC Delivery Date, the Trustee shall, on the Business Day immediately prior to May 1, 2012 (or such later date as may be established in this paragraph (c)),

transfer to the Bond Fund all amounts on deposit in the Project Fund and Reserve Fund for application to the mandatory redemption of Bonds in accordance with Section 3.01(a)(i) hereof; *provided, however*, that such transfer and such redemption shall be delayed for no more than 360 consecutive days (which may, but need not be, subdivided into shorter periods of not less than 30 days each) if an Event of Default has not occurred and is not then continuing and the Trustee shall have received no later than the Business Day next preceding April 13, 2012 (or any date to which such date is extended pursuant to the provisions hereof) a request from either the GNMA Issuer or the Borrower for such delay (whether or not a conflicting request is received from the other such party) accompanied by (i) a cash flow projection accompanied by a verification report by a nationally recognized firm of certified public accountants or financial consultants acceptable to the Issuer or the underwriter for the Bonds demonstrating that the sum of (A) the amounts in the Project Fund, the Reserve Fund and the Bond Fund, (B) the investment earnings to accrue on the amounts held in the Project Fund, the Reserve Fund and the Bond Fund through the period ending 30 days after the end of any period of delay requested and (C) any additional sums paid to or held by the Trustee by or on behalf of the Borrower or the GNMA Issuer for deposit into the Project Fund or Bond Fund (accompanied by an opinion of counsel acceptable to the Trustee to the effect that such sums are not subject to the provisions of Sections 362(a) and 547 of the Federal Bankruptcy Code in the event of a bankruptcy of the Borrower) will be at least equal to (1) the debt service on the Bonds as originally scheduled (assuming earnings on the Initial CLC as issued on the last day of such extension and earnings on the PLC as issued on the PLC Delivery Date) and will also be at least equal to (2) the debt service on the Bonds through the date which is 30 days after the end of any such period, plus, in each case, originally scheduled and accrued unpaid Trustee, Issuer and Rebate Analyst Fees (assuming redemption of all Bonds on the date set forth in this clause (2)) and any other amounts which were shown to be available at such time for debt service on the Bonds in the original cash flows prepared and submitted to the Rating Agency in connection with the issuance of the Bonds; (ii) an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (iii) arrangements satisfactory to the Trustee for the making of the investments contemplated by the cash flow projection; and (iv) written notice from the Rating Agency that the rating then assigned to the Bonds will not be lowered or withdrawn as a result of such extension of the Initial CLC Delivery Date. Upon the receipt of the documents and upon the arrangements listed in this subdivision, the Trustee shall permit the extension(s); *provided, however*, that if such documents have not been received and such arrangements have not been made by the Business Day next preceding the Initial CLC Delivery Date, then the amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund on such date shall be transferred to the Bond Fund on the Business Day next preceding May 1, 2012 (or such later date as previously established under this paragraph (c)), and applied to the redemption of a portion of the Bonds pursuant to Section 3.01(a)(i) and *further provided, however*, that the Trustee shall not consent to any such extension if such extension would in the opinion of the Trustee adversely impact the Bondholders.

(d) The PLC Delivery Date and the CLC Maturity Date may be extended one or more times provided that the Trustee shall have received no later than 15 days prior to the PLC Delivery Date or the initial CLC Maturity Date (or any date to which such dates are extended pursuant to the provisions hereof) a written request from either the GNMA Issuer or the Borrower for such delay (whether or not a conflicting request is

received from the other such party) accompanied by (i) a cash flow projection prepared by a nationally recognized firm of certified public accountants or financial consultants acceptable to the Issuer or the underwriter for the Bonds demonstrating that the sum of (A) the amounts in the Project Fund, the Reserve Fund and the Bond Fund, (B) the investment earnings to accrue on the amounts held in the Project Fund, the Reserve Fund and the Bond Fund through the period ending 30 days after the end of any period of delay requested, and (C) any additional sums paid to or held by the Trustee by or on behalf of the Borrower or the GNMA Issuer (including payments on the CLCs) for deposit into the Project Fund or Bond Fund (accompanied by an opinion of counsel to the effect that such sums are not subject to the provisions of Sections 362(a) and 547 of the Federal Bankruptcy Code in the event of a bankruptcy of the Borrower) will be at least equal to (1) the debt service on the Bonds as originally scheduled (assuming earnings on the PLC as issued on the last day of such extension) and will also be at least equal to (2) the debt service on the Bonds through the date which is 30 days after the end of any such period, plus, in each case, originally scheduled and accrued unpaid Trustee, Issuer and Rebate Analyst fees (assuming redemption of all Bonds on the date set forth in this clause (2)) and any other amounts which were shown to be available at such time for debt service on the Bonds in the original cash flows prepared and submitted to the Rating Agency in connection with the issuance of the Bonds; (ii) an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (iii) arrangements satisfactory to the Trustee for the making of the investments contemplated by the cash flow projection; and (iv) written notice from the Rating Agency that the rating then assigned to the Bonds will not be lowered or withdrawn as a result of such extension of the PLC Delivery Date. Upon the receipt of the documents and upon the arrangements listed in this subdivision, the Trustee shall permit the extension(s); *provided, however,* that if such documents have not been received and such arrangements have not been made by the Business Day next preceding the PLC Delivery Date (as extended) or the initial CLC Maturity Date (as extended) then the moneys remaining on deposit in the Project Fund on such date shall be transferred to the Bond Fund and applied, together with amounts on deposit in the Reserve Fund and the Bond Fund, to the redemption of Bonds pursuant to Section 3.01(a)(ii). In the event that the PLC Delivery Date is extended, in no event shall the CLC Maturity Date not be extended to a date that is 15 days after the extended PLC Delivery Date.

In the event Commencement of Amortization occurs prior to the PLC Delivery Date, under no circumstances shall the GNMA Issuer pass through to the Trustee principal payments on the Mortgage Note prior to the PLC Delivery Date (except to the extent provided in the CLCs or required by GNMA); such principal payments shall be paid only pursuant to the terms of the Mortgage Note and FHA requirements.

On the PLC Delivery Date, amounts remaining in the Project Fund shall be transferred to the Bond Fund either (i) for the redemption of the Bonds as set forth in Section 3.01(a)(iii) hereof but only to the extent that the remaining amounts are attributable, as certified by the GNMA Issuer to the Trustee, to a reduction in the mortgage loan principal amount by the FHA (which does not include amortized principal) or (ii) otherwise transferred to the Bond Fund to be applied to pay debt service on the next Interest Payment Date. The Trustee shall transfer for cancellation pursuant to the book-entry system all CLCs held by it in exchange for the PLC. Notwithstanding such transfer by the Trustee of the CLCs, all such

CLCs shall remain registered in the name of the Trustee and continue to be enforceable by the Trustee until such time as the Trustee has received delivery of the PLC.

(e) The Trustee shall not be required to acquire a GNMA Security unless it has sufficient funds for such acquisition on deposit in the Project Fund and Reserve Fund and unless the GNMA Security pays interest at the Pass-Through Rate and, in the case of the PLC, matures no later than June 15, 2053. The GNMA Security shall be registered in accordance with the provisions of Section 4.04(g).

(f) If the PLC is not delivered by the PLC Delivery Date, as such date may be extended pursuant to Section 4.03(d), the Trustee shall redeem all CLCs held by it upon their maturity and use the funds derived therefrom, together with the proceeds remaining in the Project Fund and transferred to the Bond Fund pursuant to Section 4.03(d), to redeem Bonds as provided in Section 3.01(a).

(g) The Trustee shall compare the GNMA Security or its book-entry form with the GNMA prospectus relating to the GNMA Security and GNMA Guaranty Agreement provided by the GNMA Issuer to assure delivery of the correct GNMA Security.

(h) All investment earnings with respect to amounts on deposit in the Project Fund shall be deposited upon receipt in the General Account of the Bond Fund.

(i) On the date of purchase of GNMA Security, the GNMA Security must be registered in the name of the Trustee or other participant acting on behalf of the Trustee at the Federal Reserve System evidencing ownership of the GNMA Security the Trustee. The Trustee or other participant acting on behalf of the Trustee shall have a first-lien position perfected security interest in the GNMA Security.

(j) All payments on a GNMA Security which represent a repayment of accrued interest paid to purchase such GNMA Security shall be deposited in the Reserve Fund.

(k) Upon receipt of notice under the Purchase and Sale Agreement from the GNMA Issuer of the pending delivery of the PLC, the Trustee shall within two Business Days of receipt of such notice promptly notify the Bondholders of the pending receipt and delivery of the PLC (and that the Bonds are subject to tender at the option of a beneficial owner of 100% of the principal amount of the Bonds following such delivery).

Section 4.04 Bond Fund.

(a) There shall be established and maintained by the Trustee in the Bond Fund three Accounts - the General Account, the Optional Redemption Account and the Seasoned Funds Account. The Trustee shall deposit into the General Account of the Bond Fund (i) the amounts required by Section 4.02 hereof, if any, (ii) all amounts received by the Trustee from or with respect to the GNMA Security (other than payments on the GNMA Security resulting from optional prepayments of the Mortgage Loan and except as provided in Section 4.03(j)), (iii) any amounts transferred from the Reserve Fund pursuant to Section 4.05 hereof, and (iv) investment earnings on the Bond Fund held by the Trustee under the Indenture. The Trustee shall deposit into the Optional Redemption Account of the Bond Fund all payments on the GNMA Security resulting

from optional prepayments of the Mortgage Loan. Notwithstanding the foregoing no moneys initially deposited in the Reserve Fund pursuant to Section 4.02(a) hereof which have been transferred to the Bond Fund shall be used to pay principal of the Bonds.

(b) On each Interest Payment Date the Trustee shall apply amounts on deposit in the General Account to (i) first, to pay the principal of and interest on the Bonds as the same becomes due; (ii) second, to pay the Trustee Fee, if any is then due, (iii) third, to pay the Rebate Analyst Fee, if any is then due; and (iv) fourth to pay the Issuer Fee then due. If any such fee (under clause (ii), (iii) or (iv)) has been paid by the Borrower in the previous six months and is not then due and payable, the Trustee shall apply such amounts in the General Account to reimburse the Borrower for such payment in the order specified above.

(c) The Trustee shall apply amounts on deposit in the Optional Redemption Account to the optional redemption of Bonds pursuant to Section 3.01(c) hereof, *provided* that the Trustee shall not apply such amounts for such purpose unless such amounts are derived from (i) a payment on the GNMA Securities representing optional prepayment on the Mortgage Loan, if any is due (ii) refunding bond proceeds or (iii) any other source, *provided* that in the case of (iii) the Trustee must also be in receipt of an opinion of bankruptcy counsel (which opinion shall be acceptable to the Rating Agency) to the effect that the amounts to be applied to the optional redemption of the Bonds will not be subject to an automatic stay or avoidance as a preferential transfer in the event of an Act of Bankruptcy.

(d) The GNMA Security shall be held at all times for the benefit of the Bond Fund. If the Trustee does not receive a payment on the GNMA Security when due by the close of business on the sixteenth day of any month, the Trustee shall notify the GNMA Issuer and if payment is not received by the following Business Day shall notify and demand payment from GNMA by the close of business on the next succeeding Business Day. The Trustee shall demand payment from GNMA for all CLCs held by it upon their maturity (as such maturity may be extended pursuant to Section 4.03(d)) in return for payment of their principal amount to the Federal Reserve Bank for cancellation in connection with delivery of the PLC.

(e) The Trustee shall deposit into the Seasoned Funds Account of the Bond Fund and in subaccounts thereof, which the Trustee shall establish, for each such payment, without commingling the same with any other amounts in the Bond Fund, all amounts representing payments made to the Trustee by the Borrower for deposit therein as specified by the Borrower. Moneys on deposit in the Seasoned Funds Account which represent Seasoned Funds shall be applied only to pay the premium, if any, on the Bonds as the same shall become due and payable by redemption. Such moneys shall be paid to the Bondholders only if they constitute Seasoned Funds.

(f) The Trustee shall transfer to the Rebate Fund from the Bond Fund the amounts, if any, required pursuant to the Arbitrage Certificate.

(g) The GNMA Security must be registered in the name of the Trustee at the depository for such book-entry designation at the time of purchase of the GNMA Security by the Trustee and the Trustee shall have first-lien position perfected security interest in the GNMA Security.

(h) The Trustee shall be or shall become a member of the Federal Reserve System, and the GNMA Security, if in book-entry form, shall be held under the Federal Reserve System.

(i) The GNMA Issuer shall deliver to the Trustee a certificate setting forth the revised regularly scheduled future principal and interest payments on the GNMA Securities on (x) the PLC Delivery Date if the principal amount of the PLC is less than \$2,274,400 due to mortgage reduction at Final Endorsement and (y) each instance that the Trustee receives payment on the GNMA Securities exceeding regularly scheduled payments of principal and interest thereon. Such certificate of the GNMA Issuer will include all regularly scheduled future principal and interest payments on the GNMA Securities until scheduled maturity and will aggregate the scheduled future payments for each future six-payment interval that begins each March through the following August and that begins each September through the following February.

Section 4.05 Reserve Fund; Standby Letter of Credit. The Trustee shall deposit into the Reserve Fund (i) the amounts required by Section 4.02(a) hereof and (ii) any additional amounts required by the provisions of the Indenture to be deposited therein.

The Trustee shall apply amounts on deposit in the Reserve Fund on each Interest Payment Date or any Redemption Date to pay or provide for the payment of (i) the portion of the purchase price of a CLC representing accrued and unpaid interest on such CLC at the Pass-Through Rate and (ii) the principal of, premium, if any, or interest on the Bonds or any other amount payable pursuant to Section 4.04(b) hereof, becoming due and payable, whether at maturity or by prior redemption, on such date, and for which sufficient moneys are not yet available for such purpose in the Bond Fund. Notwithstanding the foregoing no moneys initially deposited in the Reserve Fund pursuant to Section 4.02(a) hereof shall be used to pay principal of the Bonds.

In the event that on any Interest Payment Date or Redemption Date there is an insufficient amount in the Bond Fund and the Reserve Fund to pay principal of or interest on the Bonds or any other amount payable pursuant to Section 4.04(b) hereof, then due and payable, the Trustee shall draw on the standby letter of credit issued by BMO Harris Bank N.A. to the Trustee on the Issuance Date to the extent necessary to make up such insufficiency.

On the Business Day after the Interest Payment Date following the earlier of the CLC Maturity Date or the delivery of the PLC to the Trustee, all amounts on deposit in the Reserve Fund shall be transferred to the Bond Fund.

Section 4.06 Costs of Issuance Fund. The Trustee shall deposit into the Costs of Issuance Fund the amount (if any) specified in Section 4.02 (c) to be deposited into the Costs of Issuance Fund.

The Trustee shall apply amounts on deposit in the Costs of Issuance Fund to pay costs of issuance of the Bonds pursuant to the written direction of the Borrower filed with the Trustee. Any amounts remaining in the Costs of Issuance Fund on September 1, 2012, shall be applied toward any amounts due to the Issuer by the Borrower and, thereafter, to the Borrower.

Section 4.07 Rebate Fund. The purpose of the Rebate Fund is to facilitate compliance with Section 148(f) of the Code. Any Rebate Amount (as defined in the Arbitrage

Certificate) deposited in such Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien of the Indenture or to the claim of any other person, including, without limitation, the Bondholders and the Issuer. The requirements of this Section 4.07 are subject to, and shall be interpreted in accordance with, Section 148(f) of the Code and the Treasury Regulations applicable thereto (the "**Regulations**") and shall apply except to the extent the Trustee is furnished with an opinion of Bond Counsel or other satisfactory evidence that the Regulations contain an applicable exception. The Trustee shall make all payments, and file all forms, under the direction of the Borrower and pursuant to the Arbitrage Certificate.

Promptly at the end of each five year period after the issue date of the Bonds and also upon the retirement of the Bonds, the Trustee shall provide the Borrower with a statement of earnings on funds and accounts held under this Indenture during any period not covered by a prior statement. Each statement shall include the purchase and sale prices of each investment, if any (including any commission paid thereon which shall be separately stated if such information is available), the dates of each investment transaction, information as to whether such transactions were made at a discount or premium and such other information known or reasonably available to the Trustee as the Borrower or rebate analyst shall reasonably require. If so requested by the Borrower at any time, the Trustee shall create within the Bond Fund separate accounts for purposes of accounting for earnings on amounts attributable to the Bonds.

The Trustee shall promptly transfer to the Rebate Fund each amount required to be deposited therein pursuant to the written direction of the Borrower or the Rebate Analyst pursuant to the Arbitrage Certificate, first from earnings in the Project Fund, and, second, to the extent amounts in the Project Fund are insufficient, from revenues which have been deposited into the Bond Fund and earnings thereon. To the extent that the amount to be deposited into the Rebate Fund exceeds the amount which can be transferred from such funds, the Trustee shall promptly notify the Borrower and an amount equal to such deficiency shall be paid promptly by the Borrower to the Trustee for deposit into the Rebate Fund.

The Borrower and the Trustee, on behalf of the Issuer, shall keep such records as will enable them to fulfill their respective responsibilities under this Section 4.07 and Section 148(f) of the Code, and the Borrower shall engage a Rebate Analyst as may be necessary in connection with such responsibilities. The Trustee, to the extent furnished to it, will retain records of all calculations performed by the rebate analyst until six years after the retirement of the last obligation of the Bonds. The fees and expenses of the rebate analyst shall be paid by the Borrower pursuant to the Financing Agreement to the extent amounts provided hereunder are insufficient for such purpose. For purposes of the computation of the Rebate Amount required under the Arbitrage Certificate, the Trustee shall make available to the Borrower and the Issuer during normal business hours all information in the Trustee's control which is necessary to such computations.

Section 4.08 Investment of Funds. All moneys held as part of any fund created in this Article shall be invested or reinvested by the Trustee in Qualified Investments at the written or telephonic direction of the Authorized Borrower Representative, such telephonic direction to be promptly confirmed in writing. Such moneys may only be invested in Qualified Investments which mature or are subject to redemption or repurchase at par plus accrued interest at the option of the Trustee (i) on or prior to the date or dates on which the Trustee anticipates that cash funds will be required, or (ii) within six months of the date of investment.

The investments so made and earnings thereon shall be held by the Trustee and shall be deemed at all times to be a part of the fund in which such moneys were held until transferred in accordance with the terms of this Indenture; *provided* that for purposes of investment moneys held in any of the funds established hereunder may be commingled. The Trustee is directed to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund shall be insufficient to cover a proper disbursement from any fund. The Trustee shall incur no liability resulting from any investments made pursuant to this Section.

The Trustee may make any and all investments permitted by this Section through its own bond or investment department, unless otherwise directed in writing by the Authorized Borrower Representative.

Section 4.09 Custody of Funds; Moneys to Be Held in Trust. The funds created under this Indenture shall be in the custody of the Trustee in its trust capacity hereunder; and the Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provision of this Article IV shall be held by the Trustee in trust, and except for moneys held in the Rebate Fund or deposited with or paid to the Trustee for the redemption of Bonds, notice of redemption of which has been duly given, shall while held by the Trustee constitute part of the security for the Holders and be subject to the lien hereof.

Section 4.10 Final Balances. Upon final payment of all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder, including the payment of all fees, charges and expenses of the Trustee which are due and payable hereunder, or upon the making of adequate provision for the payment of such amounts, as permitted hereby, and after satisfaction of all the Borrower's obligations under the Financing Agreement, all money and securities remaining hereunder shall be remitted to the Issuer. Notwithstanding the foregoing, such amounts shall be paid to the Issuer only to the extent that there shall be delivered to the Issuer and the Trustee an opinion of Bond Counsel to the effect that such payment will not adversely affect the exclusion of interest on the Bonds or the Series 2012B Bonds from the federal gross income of the owners thereof for federal income tax purposes. To the extent such payments would adversely affect such exclusion, such moneys shall be paid to the Borrower.

Section 4.11 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, whether at maturity, at the Redemption Date or otherwise, or a check or draft for interest is uncashed, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liabilities of the Issuer to the Holder thereof for the payment of such Bond, as the case may be, shall thereupon cease and be completely discharged, and it shall be the duty of the Trustee to hold such funds for a period of six years after maturity of all Bonds, without liability for interest thereon, in a separate account in the Bond Fund for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. After the expiration of such six-year period, the Trustee shall return said funds to the Issuer upon its written request and the Holder or Holders of any such unrepresented Bond shall be entitled to payment of said Bond only from said funds held by the Issuer. The obligation of the Trustee under this Section to pay any such funds to the Issuer shall be subject to any

provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

ARTICLE V

GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal or Redemption Price of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or redemption price of, and the interest on, every Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only out of revenues available therefor under this Indenture. The Issuer hereby designates the principal corporate trust office of the Trustee as the place of payment for the Bonds.

Section 5.02 Instruments of Further Assurance. The Issuer and the Trustee shall do, execute, acknowledge and deliver, such indentures supplemental hereto, and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds paid solely from the Trust Estate. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing contained in this sentence shall be deemed to modify or change the obligations of the Issuer under this Section.

Section 5.03 Recordation and Filing. Pursuant to the Financing Agreement, the Borrower shall cause financing statements with respect to the Trust Estate described in this Indenture to be at all times filed in such manner and in such places if required by law in order to fully preserve and protect the rights of the Issuer and the Trustee hereunder and to perfect the security interest created by this Indenture in the Trust Estate described herein. To the extent possible under applicable law, as in effect in the jurisdiction(s) in which the Trust Estate is located, and subject to the terms and limitations on liability set forth in the Financing Agreement, the Borrower will maintain the priority of the security interest herein created in the Trust Estate as a first lien thereon, and warrant, protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee herein and all rights of the Trustee under this Indenture against all actions, proceedings, claims and demands of all Persons, all paid for by the Borrower.

Section 5.04 No Modification of Security. The Issuer shall not, without the written consent of the Trustee, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement which relates to or affects the security for the Bonds. The Trustee shall not consent to any change in the maturity of the GNMA Security or the Mortgage Note, except as provided in Sections 4.03(c), 4.03(d), 5.07 and Article VIII hereof.

Section 5.05 Reports. The Trustee shall furnish annually, to the Borrower, the GNMA Issuer and any Bondholder who requests copies thereof and furnishes an address to which such reports and statements are to be sent, copies of (a) any reports furnished to the Trustee with regard to the Project and (b) annual statements of the Trustee with regard to fund

balances. The Trustee shall be reimbursed by the Borrower for its reasonable costs in preparing any such statements.

Section 5.06 Tax Covenants.

(a) The Issuer, to the extent that it has control over any of the following proceeds or payments, and the Trustee, to the extent that it has discretion with respect to investment of such proceeds, covenant and agree that they will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds issued under this Indenture or with respect to the payments derived from the security pledged hereunder or from the Financing Agreement which would result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The Issuer and the Trustee further covenant and agree that they will comply with and take all actions required by the Arbitrage Certificate.

(b) The Issuer covenants that it shall not use or cause the use of any proceeds of Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or cause to be taken any other action or actions, or fail to take any action or actions, which would result in interest on any of the Bonds becoming includable in gross income of any holder thereof. The Issuer further covenants that it shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuer on the Bonds shall be excluded from the gross income of the recipients thereof for federal income tax purposes.

Section 5.07 Concerning the GNMA Security.

(a) The Trustee shall defend its rights in and to the GNMA Security for the benefit of the Bonds against the claims and demands of all Persons whomsoever.

(b) Except as provided in Section 3.06, the Trustee shall not sell or otherwise dispose of the GNMA Security for an amount less than the amount sufficient, together with other amounts held under this Indenture, to provide for the payment of the Bonds in accordance with Article IX hereof.

(c) Except as otherwise specifically permitted by this Indenture, the Trustee shall not consent to any sale, modification or amendment of the GNMA Security without (i) notifying the Rating Agency of any proposed sale, modification or amendment, and (ii) obtaining the express written consent of 100% of the Holders of the Bonds.

ARTICLE VI

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Section 6.01 Events of Default. Each of the following shall be an "Event of Default":

(a) default in the due and punctual payment of any interest on any Bond; or

(b) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or

(c) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds; or

(d) the occurrence and continuation of an event of default under the Financing Agreement of which the Trustee has actual notice or of which the Trustee is deemed to have notice pursuant to Section 7.04(i) hereof.

The Trustee and the Issuer agree that notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Mortgage Loan Documents unless such event also constitutes a default thereunder.

Section 6.02 Acceleration. Upon the occurrence of an Event of Default described in Section 6.01(a) or (b) hereof, and *provided* that the Mortgage Loan shall have been paid in full as certified by the GNMA Issuer to the Trustee, the Trustee may, and upon the written request of the holders of not less than 25% in aggregate principal amount of all Bonds then Outstanding shall, by notice in writing delivered to the Borrower and the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

Section 6.03 Rights of Holders. If any Event of Default shall have occurred and be continuing, then the Trustee may and, if requested so to do by the Holders of not less than 25% in aggregate principal amount of Bonds affected by such default, and if indemnified as provided herein, the Trustee shall:

(a) by mandamus or other suit, action or proceeding at law or in equity require the Issuer to perform its covenants and duties under this Indenture;

(b) bring suit upon the Bonds;

(c) by action or suit in equity require the Issuer to account for its actions as if it were the trustee of an express trust for the holders of the Bonds;

(d) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the holders of the Bonds;

(e) take any action to enforce its remedies under the Financing Agreement;
or

(f) take such other steps to protect and enforce its rights and the rights of the holders of the Bonds, whether by action, suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy.

Section 6.04 Rights of Holders to Direct Proceedings. Subject to the provisions of Section 6.08 hereof, the Holders of a majority in principal amount of the Bonds

shall have the right at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture for the benefit of the Bonds, or for the appointment of a receiver or any other proceedings hereunder for the benefit of the Bonds, in accordance with the provisions of law and of this Indenture.

Section 6.05 Waiver by Issuer. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Indenture; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State.

Section 6.06 Application of Moneys. All moneys received by the Trustee or a receiver pursuant to any right given or action taken pursuant to a default under Section 6.01(a) or (b) hereof and all moneys in the possession of the Trustee shall, after payment of the costs and expenses of any proceedings resulting in the collection of such moneys and after payment of the fees and expenses of the Trustee, its agents and attorneys, be deposited in the Bond Fund; and all moneys in the Bond Fund shall be applied, together with the other moneys held by the Trustee hereunder, except the Rebate Fund, as follows:

(a) Unless the principal of all the Bonds shall have become due and payable or have been declared due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege except as to any difference in the respective rates of interest specified in the Bonds;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which money shall be held pursuant to Section 4.11 of this Indenture) whether at maturity or by call for redemption, in the order of their due dates and beginning with the earliest such due date, with interest on such Bonds from the date upon which they become due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Bonds due on any particular date, together with such interest, then to the payment thereof ratably, according to the amount of the principal, interest, and premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD: to the payment of any unpaid fees and expenses of the Issuer and the GNMA Issuer.

Any moneys remaining after application as described above shall be deposited in the General Account of the Bond Fund.

(b) If the principal of all the Bonds shall have become due and payable or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of premium over principal or interest or of principal or interest over premium or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto without any discrimination or privilege, except as to any difference in the respective Interest Rates specified in the Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

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

Section 6.08 Remedies of Holders. No Holder of any Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless: (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) such default shall have become an Event of Default; (c) the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided herein; and (e) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding, and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts under this Article VI, and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of the Bonds or to obtain priority or preference over any other Holders (other than as provided herein) or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Bonds. Nothing contained in this Indenture shall, however, affect or

impair the right of any Holder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective Holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

Section 6.09 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the Holders of a majority of the Outstanding Bonds; *provided, however*, that there shall not be waived (a) any default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all fees, costs, and expenses of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Notice of Defaults; Opportunity of the Issuer, the Borrower and the GNMA Issuer to Cure Defaults . Anything herein to the contrary notwithstanding no default under subsection (c) of Section 6.01 hereof (other than a default occasioned by the nonpayment of money) shall constitute an Event of Default until (i) actual notice of such default by registered or certified mail shall have been received by the Trustee, and a notice of default shall have been given by the Trustee or by the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds to the Borrower and its partners, the GNMA Issuer and the Issuer, and (ii) the Borrower, its partners and the Issuer shall have had with respect to a default under such subsection (c), 30 days after receipt of such notice, to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period, and thereafter, with respect to a default described in such subsection (c), the GNMA Issuer shall have had 30 days to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; *provided, however*, if a default under such subsection (c) be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Borrower, any of the partners of the Borrower, the Issuer or the GNMA Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice has been given to the Borrower under the provisions of this Section, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

In the event the Issuer fails to perform any of its covenants or obligations under this Indenture, the Borrower shall have the right but not the obligation to perform such covenants or obligations and the Issuer hereby consents to such fulfillment and waives any right it may have to interfere therewith.

ARTICLE VII

THE TRUSTEE

Section 7.01 Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default:

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

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether they conform to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

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

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

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with directions received

pursuant to Section 6.04 or the direction of the Holders of a majority in principal amount of Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) No provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

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

Section 7.02 Notice of Default. Within 30 days after the occurrence of any default hereunder of which the Trustee is deemed to have notice hereunder, the Trustee shall transmit by first class mail, to the Holders of all Bonds then Outstanding notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived prior thereto; *provided, however*, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond when due, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Bonds. For the purpose of this Section the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 7.03 Required Reporting. The Trustee shall provide to the Rating Agency (with copies to the Issuer and the Borrower):

(a) notice of any of the following events: (i) any GNMA Security is sold (except for the exchange of the CLCs for the PLC), (ii) a partial prepayment is made on any GNMA Security, (iii) the Bonds are no longer Outstanding in accordance with Article IX hereof, (iv) this Indenture or any Mortgage Loan Document is amended in accordance with Article VIII hereof, and (v) the appointment of any successor Trustee or co-trustee.

(b) notice of the initial acquisition by the Trustee of (i) the Initial CLC, and (ii) the PLC (within 30 days of such acquisition);

(c) a copy of any notices sent to the GNMA Issuer, HUD or GNMA after the Trustee has become entitled to claim any benefits under the GNMA Security; and

(d) such other information as the Rating Agency may reasonably request from time to time (i) in connection with its ongoing surveillance of the rating on the Bonds and (ii) in order to maintain the rating on the Bonds.

Section 7.04 Certain Rights of Trustee. Except as otherwise provided in Section 10.01 hereof:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document conforming to the

requirements, if any, of this Indenture, and believed by it to be genuine, and to have been signed or presented by the proper party or parties;

(b) any Request or Statement of the Issuer mentioned herein shall be sufficiently evidenced by an order or Request of the Issuer signed by an Authorized Issuer Representative and any resolution or ordinance of the governing body of the Issuer may be sufficiently evidenced by a Certificate of the Issuer;

(c) any notice, request, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by an Authorized Borrower Representative (unless other evidence in respect thereof be herein specifically prescribed);

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

(e) the Trustee may consult with counsel, architects and engineers and other experts, and the written advice of such counsel, architects or engineers and other experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of the Bonds pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(g) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such fact or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, the GNMA Issuer and the Borrower, including the Project, personally or by agent or attorney;

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder whether directly or by or through agents or attorneys, but the Trustee shall be responsible for any misconduct or negligence on the part of any agent or attorney so appointed;

(i) the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except for any default due to the Trustee's failure to make any of the payments required to be made by Article IV hereof) unless the Trustee shall be specifically notified in writing of such default by the Issuer or the Holders of at least 25% in principal amount of Bonds affected thereby;

(j) all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee at the Notice Address referred to in Section 1.01 hereof; and

(k) before taking any action under this Indenture relating to an Event of Default or in connection with its duties under this Indenture, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

Section 7.05 Not Responsible for Recitals or Issuance of Bonds. The recitals contained herein and in the Bonds, except the certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds.

Section 7.06 Trustee May Hold Bonds. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

Section 7.07 Compensation. The Trustee may on each Interest Payment Date reimburse itself as provided in Section 4.04 hereof for all reasonable expenses, disbursements and advances incurred or made by the Trustee in performing its obligations in accordance with any provision of this Indenture (including the compensation and the expenses and disbursements of any Paying Agent, separate Trustee or co-trustee, its agents and counsel); *provided, however,* that the Trustee's semi-annually compensation under this Section 7.07 shall be limited to the Trustee Fee, including its services as dissemination agent under the Continuing Disclosure Agreement, which amount shall reduce ratably if and to the extent of the redemption or maturity of Outstanding Bonds.

Any amounts payable to the Trustee in excess of the amounts specified in the preceding paragraph shall be paid by the Borrower in accordance with Section 4.7 of the Financing Agreement and not from funds held under this Indenture.

Section 7.08 Successor Trustee. Any corporation or association 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, ipso facto, be and become successor Trustee hereunder and vested with all title to the whole property or 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 instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.09 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 60 days' written notice by registered or certified mail to the Issuer and to each Holder of the Bonds then Outstanding;

provided that no such resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment as provided in Section 7.11. If no successor Trustee shall have been appointed and have accepted appointment within 60 days following the giving of all required notices of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.10 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and the Issuer, and signed (a) by the Holders of a majority of the Bonds Outstanding at the time, or (b) with the written concurrence of the Issuer and the GNMA Issuer, *provided*, that such removal shall not be effective until all reasonable fees and expenses of the Trustee have been paid in full, and *provided, further*, that the Trustee shall continue to serve as Trustee hereunder until a new Trustee has been appointed.

Section 7.11 Appointment of Successor Trustee by the Holders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the 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 Holders of a majority of the principal amount of the Outstanding Bonds, with notice to the Borrower and the GNMA Issuer, by an instrument or concurrent instruments in writing signed by such Holders, or by their duly authorized attorneys; *provided*, nevertheless, that in case of vacancy the Issuer, with the consent of the Borrower, which consent shall not be unreasonably withheld, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Holders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the trustee so appointed by such Bondholders.

Section 7.12 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor 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 predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and money held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, 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, shall be filed and/or recorded by the successor Trustee in any recording office where the Indenture shall have been filed and/or recorded. Any such successor Trustee shall be bound by all of the provisions hereof, including but not limited to Section 7.07 hereof. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a reported

capital and surplus of not less than \$10,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 7.13 Trustee as Paying Agent and Bond Registrar; Additional Paying Agents. The Trustee is hereby designated and agrees to act as Paying Agent and Registrar for and in respect to the Bonds.

The Issuer from time to time may appoint one or more additional Paying Agents and, in the event of the resignation or removal of any Paying Agent, successor Paying Agents. Any such additional Paying Agent or successor Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and the Trustee a written acceptance thereof.

Section 7.14 Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which shall have resigned or shall have been removed shall cease to be Trustee and Paying Agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee, Paying Agent and Bond Registrar.

Section 7.15 Co-Trustee or Separate Trustee. At any time, but subject to compliance with all applicable regulations, 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 or for the purpose of enforcing any provisions of this Indenture or the Financing Agreement, the Issuer and the Trustee shall have power to appoint an additional Person as a co-trustee or separate trustee (*provided, however*, that the total fee payable to the Trustee and the co-trustee or the Trustee and the separate trustee, may not exceed the fee payable to the Trustee prior to that appointment), and upon the request of the Trustee or of the Holders of at least 25% in aggregate principal amount of Outstanding Bonds the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such Person to act as co-trustee of all or any part of the Trust Estate, and to vest in such Person or institution, in such capacity, such title to the Trust Estate, or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

If the Issuer shall not have made such appointment within 30 days after the receipt by it of a request to do so, or in case an event of default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

The Trustee, the Issuer and the Borrower shall execute, acknowledge and deliver all such instruments as may be reasonably required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

- (a) the Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of

the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon or exercised or performed by the Trustee, or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, 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 co-trustee or separate trustee;

(c) any request in writing by the Trustee to any co-trustee 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 co-trustee or separate trustee;

(d) any co-trustee or separate trustee to the extent permitted by law may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise;

(e) the Trustee at any time by an instrument in writing with the concurrence of the Issuer may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section and in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of or remove any such co-trustee or separate trustee without the concurrence of the Issuer, and, upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery, and performance of all instruments and agreement necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(f) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Holders and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, paper, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of such appointment, any such co-trustee or separate trustee shall be vested with such title to the Trust Estate or any part thereof, and with such rights, powers, duties, trusts 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 co-trustee or separate trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee, Borrower and the Issuer.

In case any co-trustee 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 co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 7.16 Representation by Trustee. The Trustee hereby represents and warrants that as of the date of execution of this Indenture:

(a) It is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has the power and authority to enter into and perform its obligations under this Indenture;

(b) this Indenture has been duly authorized, executed and delivered by it; and

(c) to the best of the Trustee's knowledge, the execution of this Indenture by the Trustee does not violate laws, statutes, ordinances, regulations or agreements which are binding on the Trustee.

Section 7.17 Interpretation of Intent. The Trustee, in exercising its authority under this Indenture, may interpret the intent of the parties hereunder. In exercising such authority, the Trustee shall be held to a reasonable fiduciary standard subject to Section 7.01 hereof.

ARTICLE VIII

SUPPLEMENTAL INDENTURE

Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee, without the consent of or notice to any of the Bondholders, may enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or materially adverse to the interest of the Holders of the Bonds for any one or more of the following reasons:

(a) to cure any ambiguity or formal defect or omission in this Indenture:

(b) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

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

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state securities laws;

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

(f) to achieve compliance of this Indenture with any applicable federal securities or tax laws or state securities laws;

(g) to maintain the exclusion from gross income for federal income taxation of interest on the Bonds;

(h) to obtain, improve or maintain the rating on the Bonds from any nationally recognized securities rating agency so long as such change does not affect the interest rates, maturities or redemption provisions of the Bonds and does not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income taxation of interest on the Bonds; or

(i) in connection with any other change in this Indenture which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture have been effected in compliance with the provisions of this Article.

Section 8.02 Supplemental Indentures Requiring Consent of Bondholders.

With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds, the Trustee, from time to time, may enter into supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided, however*, that nothing in this Article contained shall permit, or be construed as permitting without the consent of the Holders of 100% of the Bonds Outstanding: (a) an extension of the stated maturity or a reduction in the principal amount or reduction in the rate, or extension of time of payment of interest on, or reduction of any premium payable on the redemption of, any Bonds; (b) the creation of any lien on the Trust Estate prior to or on a parity with the lien of this Indenture; (c) a reduction in the amount of the Bonds, the Holders of which are required to approve any such supplemental indenture, without the consent of the Holders of all Bonds at the time Outstanding which would be affected by the action to be taken; (d) the modification of the rights, duties or immunities of the Trustee without the consent of the Trustee; (e) a privilege or priority of any Bond over any other Bonds; (f) any reduction in the Borrower's obligations under the Mortgage Note, or any change in the GNMA Issuer's obligations under (or GNMA's guaranty of) the GNMA Securities (this change shall also require the consent of the GNMA Issuer); (g) any amendment to Section 5.07 or Article VIII hereof, or (h) any action which may result in the denial of the exclusion of interest on the Bonds from gross income for federal income taxation.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all Bondholders. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Holders of not less than two-thirds in aggregate principal amount of Outstanding Bonds at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained

therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture have been effected in compliance with the provisions of this Article.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have consented 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 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 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 of protest or objection thereto signed by or on behalf of the Borrower on or before the close of business of the Trustee on the fifteenth day after the mailing of said notice and a copy of the proposed supplemental indenture.

Section 8.03 Amendments to Financing Agreement Not Requiring Consent of the Bondholders. The Issuer and the Borrower, without the consent of the Bondholders, may enter into any amendment, change or modification to the Financing Agreement as shall not be inconsistent with the terms of the Financing Agreement or materially adverse to the interests of the Holder of the Bonds for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Financing Agreement;
- (b) to grant to or confer upon the Issuer or the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Issuer or the Trustee or either of them;
- (c) to maintain the exclusion from gross income for federal income taxation of interest of the Bonds;
- (d) to obtain, improve or maintain the rating on the Bonds so long as such change does not affect the interest rates, maturities or redemption provisions of the Bonds and does not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income taxation of interest on the Bonds; or
- (e) in connection with any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.
- (f) the Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

Section 8.04 Amendments to Financing Agreement Requiring Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal

amount of the Bonds at the time Outstanding, the Issuer, the Trustee and the Borrower may from time to time enter into amendments, changes and modifications to the Financing Agreement for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained therein; *provided, however*, that no such amendment, change or modification shall permit or be construed as permitting: (a) any adverse effect on the security for the Bonds, (b) a reduction in the amount of Bonds, the Holders of which are required to approve any such amendment, change or modification without the consent of Holders of all Bonds at the time Outstanding which would be affected by the action to be taken; or (c) any action which may result in the denial of the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If at any time, the Borrower or the Issuer shall request the consent of the Trustee to any such amendment, change or modification of the Financing Agreement, the Trustee shall, upon being satisfactorily indemnified by the Borrower with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided above with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days following the giving of such notice the Holders of not less than two-thirds in aggregate principal amount of Outstanding Bonds at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as described above, no Holder of any Bond shall have any right to object to the terms and provisions contained therein, or to the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or to restrain the Issuer or the Trustee from consenting to the execution thereof. The Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

No modification of the Indenture or the Financing Agreement which affects the purchase of the GNMA Securities or the rights or obligations of the GNMA Issuer shall be entered into without the consent of the GNMA Issuer.

Section 8.05 Modification of Mortgage Loan Documents. Nothing contained herein or in the Financing Agreement shall limit or impair the right of the GNMA Issuer to require or agree to any amendment, change or modification of the Mortgage Loan Documents for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said Mortgage Loan Documents so long as any such amendment, change or modification shall not adversely affect the payment terms of, the security for or the tax-exempt status of the Bonds.

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01 Discharge of Lien. Following the PLC Delivery Date, as extended, if the Issuer shall pay or cause to be paid to the Holders of the Bonds the principal, interest (if applicable) and premium, if any, to become due thereon at the times and in the manner stipulated in the Bonds therein and herein, and shall have paid all fees and expenses of the Trustee, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and

observed by it or on its part, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, shall reconvey to the Issuer the estate hereby conveyed, and shall assign and deliver to the Issuer (to the extent that the Issuer certifies to the Trustee that the Issuer is owed money by the Borrower) or to Borrower (if no such certification of the Issuer is delivered to the Trustee) any interest in property at the time subject to the lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of and interest and premium, if any, on the Bonds.

All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if, under circumstances which, in the opinion of Bond Counsel, do not cause interest on the Bonds to be includable in gross income for federal income purposes, the following conditions shall have been fulfilled: (a) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail, as provided in Article III hereof, notice of redemption of such Bonds on said date; and (b) there shall be on deposit with the Trustee either money or direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America in an amount sufficient, as certified to the Trustee by independent public accountants of national standing, to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be. Upon satisfaction and discharge of this Indenture as aforesaid, the Trustee shall provide notice of such discharge by first class mail to Holders of all Bonds Outstanding, *provided* that for any Bonds subject to optional redemption within 90 days of the discharge of this Indenture no such notice need be given.

Section 9.02 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments of moneys in funds held hereunder, and the duties of the Trustee and the Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Registrar, the Paying Agent and the Holders notwithstanding the release and discharge of this Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Indenture.

ARTICLE X

MISCELLANEOUS

Section 10.01 Consents and Other Instruments of Bondholders. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, 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 under such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a limited liability company or a partner of a partnership on behalf of such corporation, association, limited liability company or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds shall be proven by the Bond Register.

(c) Any request, consent or vote of the Holder of any Bond shall bind every future Holder of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Trustee or the Issuer pursuant to such request, consent or vote.

(d) In determining whether the Holders of the requisite amount of the principal amount of the Bonds then Outstanding have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or the Borrower or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with the Issuer or the Borrower shall be disregarded and deemed not to be Outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver. Only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 10.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or implied in this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

Section 10.03 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 other provision or provisions hereof or any constitution, statute, rule of law or 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 circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 10.04 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given three days after deposit by first-class mail, except any notice specifically required to be given by certified or registered mail shall be deemed given three days after being mailed by certified or registered mail, postage prepaid, and any notice dispatched by messenger, facsimile or telegram, addressed to the Notice Address of the person to whom such notices, certificates or other communications are given shall be deemed given when delivered.

Section 10.05 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the GNMA Securities, or the date fixed for redemption of any Bonds, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.06 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.07 Situs of Contract. The State shall be deemed to be the situs of contract for all purposes of this Indenture.

Section 10.08 No Recourse. No recourse shall be had for the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture or the Financing Agreement against any past, present or future official, officer or employee of the Issuer, as such, either directly or through the Issuer or any successor, under any rule of law, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the Financing Agreement and the issuance of the Bonds.

Section 10.09 Successors and Assigns. All the covenants and representations contained in this Indenture, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether or expressed or not.

Section 10.10 Books, Records and Accounts. The Trustee agrees to keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursements, investment, allocation and application of the proceeds received from the sale of the Bonds, the revenues received in connection with the GNMA Security, the revenues received from the Funds created pursuant to this Indenture and all other money held by the Trustee hereunder. The Trustee shall make such books, records and accounts available for inspection by the Issuer or the Holder of any Bond during reasonable hours and under reasonable conditions.

Section 10.11 HUD and GNMA Requirements to Control. Notwithstanding anything in this Indenture to the contrary, the provisions of this Indenture and the Financing Agreement are subject and subordinate to the National Housing Act, all applicable HUD insurance regulations and related administrative requirements and the Mortgage Loan Documents and all applicable GNMA regulations and related administrative requirements; and

in the event of any conflict between the provisions of this Indenture or the Financing Agreement and the provisions of the National Housing Act, any applicable HUD regulations, related administrative requirements and the Mortgage Loan Documents, any applicable GNMA regulations and related administrative requirements, the said National Housing Act, HUD regulations, related administrative requirements and Mortgage Loan Documents, and the said GNMA regulations and related administrative requirements shall be controlling in all respects.

Section 10.12 HUD Regulations. Notwithstanding anything in this Indenture to the contrary, the Issuer, its designee or any person shall not and cannot acquire or succeed to the General Partner's interest as general partner of the Borrower or exercise the General Partner's rights or powers as such general partner unless and until the Issuer, its designee or any Person first complies with all HUD requirements pertaining to transfers of physical assets and has received HUD's prior written approval. Prior to satisfying the requirements pertaining to transfers of physical assets neither the Issuer, its designee nor any Person will assert any claim or interest in the HUD Project (HUD Project No. 071-35838) or interest in the Borrower by reasons of the provisions of this Indenture. Except as otherwise set forth herein or in the Financing Agreement, any claim asserted against the Project shall not be a personal liability of the Borrower but shall instead be a limited obligation payable solely from the Borrower's interest in, and Surplus Cash derived from the Project

Section 10.13 Enforcement Not to Affect Mortgage Loan or GNMA Security. Notwithstanding any provision in this Indenture to the contrary, enforcement of this Indenture and the Financing Agreement will not result in any claim under the Mortgage Loan or the GNMA Security, or claim against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the GNMA Issuer or another Person required by HUD in connection with the Mortgage Loan or the GNMA Security, or against the rents or other income from the Project (other than available "Surplus Cash," as defined in the HUD Regulatory Agreement) for payment hereunder.

[Remainder of this Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

CITY OF CHICAGO

By: _____


Chief Financial Officer

(SEAL)

Attest:


City Clerk

SEAWAY BANK AND NATIONAL TRUST
COMPANY, as Trustee

By: _____

Authorized Officer

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

CITY OF CHICAGO

By: _____
Chief Financial Officer

(SEAL)

Attest:

City Clerk

**SEAWAY BANK AND TRUST COMPANY, as
Trustee**

By: _____
Authorized Officer

EXHIBIT A — FORM OF BOND
UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO

Multi-Family Housing Revenue Bond
(Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA)

Principal Amount:

No. R-1

\$2,274,400

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
July 1, 2053	March 14, 2012	2.00% through and including December 31, 2012 and 4.15% thereafter	167570 TE0

Registered Owner: CEDE & CO.

Principal Amount: TWO MILLION TWO HUNDRED SEVENTY FOUR THOUSAND FOUR HUNDRED DOLLARS

The City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the “**Issuer**”), for value received, hereby promises to pay (but only from the revenues and other assets and in the manner hereinafter described) to the Registered Owner specified above or registered assigns (the “**Holder**”) (subject to any right of prior redemption provided for in the Indenture referred to below), on the Maturity Date set forth above, the principal amount set forth above and to pay interest on said principal amount until said principal amount shall have been fully paid, at the rate per annum specified above, payable on each January 1 and July 1, commencing July 1, 2012 (the “**Interest Payment Dates**”). This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the dated date hereof. Principal of, premium, if any, and interest on this Bond are payable, without deduction for exchange, collection or service charges, in lawful money of the United States of America. Principal is payable at the principal corporate trust office of Seaway Bank and Trust Company, in the City of Chicago, Illinois, or its successors in trust (the “**Trustee**”) upon presentation and surrender of this Bond. The interest so payable on any Interest Payment Date shall be calculated on a 30-day month, 360-day year basis, and shall, subject to certain exceptions provided in the Indenture referred to below, be paid to the Holder in whose name this Bond is registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date whether or not a Business Day (the “**Regular Record Date**”). Payment of interest shall be made by check or draft mailed on that Interest Payment Date to the Holder hereof at the close of business on the Regular Record Date at the address shown on the registration records for the Bonds kept by the Trustee; *provided, however*, that payment of interest on any Interest Payment Date shall be made by wire transfer to the Holder as of the close of business on the Regular Record Date upon written notice of

such wire transfer address in the continental United States by such Holder to the Trustee given prior to such Regular Record Date (which notice may provide that it will remain in effect until revoked), *provided* that such wire transfer shall only be made with respect to an owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on the Regular Record Date relating to such Interest Payment Date. If any interest is not timely paid or duly provided for, the Trustee is required to establish a Special Record Date for the payment of that overdue interest to the Holders as of that Special Record Date. Notice of the Special Record Date shall be mailed to Holders not less than 10 days prior thereto. So long as this Bond is restricted to being registered in the registration books of the Issuer in the name of a Securities Depository (as defined in the Indenture), the provisions of the Indenture governing Book-Entry Bonds shall govern the payment of principal of, premium, if any, and interest on this Bond.

This Bond is one of a duly authorized series of bonds of the Issuer designated as its Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA), in the aggregate principal amount of \$2,274,400 (the "**Bonds**"), pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to an Ordinance adopted by the City Council of the Issuer. The Bonds are issued under and are equally and ratably secured as to principal, premium, if any, and interest by a Trust Indenture dated as of March 1, 2012, from the Issuer to the Trustee (the "**Indenture**"), to which Indenture and all indentures supplemental thereto (copies of which are on file at the office of the Trustee) reference is hereby made. By the acceptance of this Bond, the Holder hereof assents to all of the provisions of the Indenture.

The Bonds are limited obligations of the Issuer payable solely from funds, moneys and securities held by the Trustee under the Indenture and amounts derived under the Financing Agreement (as defined in the Indenture), including amounts derived from the GNMA Security described herein.

The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State of Illinois, or any political subdivision of the State of Illinois within the meaning of any constitutional or statutory provisions. Neither the Issuer, the State of Illinois nor any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the revenues and assets pledged with respect thereto. Neither the full faith and credit nor the taxing power of the United States of America, the Issuer, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication shall have been signed by the Trustee.

The Bonds are being issued by the Issuer for the purpose of financing a FHA-insured mortgage loan (the "**Mortgage Loan**") to be made to Community Housing Partners XV L.P., an Illinois limited partnership (the "**Borrower**"), for the purpose of financing a portion of the cost of acquiring, rehabilitating and equipping a multi-family residential project situated in the City of Chicago and known as "Hazel Winthrop Apartments."

To secure payment of principal of and interest on the Bonds, the Borrower has arranged for the acquisition by the Trustee of fully modified mortgage-backed securities (the **"GNMA Security"**) to be issued by Enterprise Community Investment, Inc. (the **"GNMA Issuer"**), which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (**"GNMA"**).

On the first day of the second month following the delivery of the PLC to the Trustee, the Bonds may be tendered by the holder, if any, of 100% of the principal amount of the beneficial interests in the Bonds in whole in exchange for the GNMA Securities, the ownership of which shall be transferred to the Bondholder. In addition, the Bonds are subject to redemption prior to maturity as provided in the Indenture.

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 event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Neither the Issuer nor the Borrower shall be liable for an acceleration of the Bonds or payment of additional interest thereon in the event that interest on the Bonds is declared or becomes includable in gross income for federal income tax purposes.

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

This Bond is transferable by the Holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

Except for one Bond which may have a denomination with an integral multiple of \$100, the Bonds are issuable only as registered Bonds without coupons in denominations of \$5,000 principal amount, and any integral multiple thereof. Subject to the limitations of the Indenture and upon payment of any tax, fee or other governmental charge required to be paid with respect to such exchange, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an event of default as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond, or for any claim based hereon, or otherwise in respect hereof, or based on

or in respect of the Indenture or any indenture supplemental thereto, against any trustee, officer or employee, as such, past, present or future, 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 hereof and as part of the consideration for the issue hereof, expressly waived and released. The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF TRANS MIN ACT --

(Cust) Custodian (Minor)
under Uniform Transfers to
Minors
Act _____
(State)

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right
of survivorship and not as
tenants in common

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

It is hereby certified, recited and declared that all facts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

In Witness Whereof, the Issuer has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Mayor under its official seal, or a facsimile thereof, and attested by the manual or facsimile signature of its City Clerk, all as of the Dated Date specified on the first page of this Bond.

CITY OF CHICAGO

By: _____
Mayor

(SEAL)

Attest:

City Clerk

Certificate of Authentication

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

SEAWAY BANK AND TRUST COMPANY,
as Trustee

By: _____
Authorized Officer

Dated: March ____, 2012

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("**DTC**"), to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as if requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within Bond, and do(es) hereby irrevocably constitute and appoint _____ attorney, to transfer such Bond on the books of the Trustee kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Dated: _____

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

Signature guaranteed by:

NOTE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

A handwritten signature, possibly "J. L. Smith", is written in dark ink. The signature is somewhat stylized and appears to be written over a faint, illegible line of text.



EXHIBIT B

FORM OF SECTION 2.13 CERTIFICATE

March 7, 2012


Seaway Bank and Trust Company,
as Trustee under that certain
Trust Indenture, dated as of
March 1, 2012, from the
City of Chicago to the Trustee

Re: Multi-Family Housing Revenue Bonds (Hazel Winthrop
Apartments) Series 2012A (FHA Insured/GNMA)

Ladies and Gentlemen:

Reference is made to that certain Trust Indenture, dated as of March 1, 2012 (the "**Indenture**"), between the City of Chicago and Seaway Bank and Trust Company, as Trustee. The undersigned, Enterprise Community Investment, Inc., is the GNMA Issuer (as defined in the Indenture). Pursuant to Section 2.13 of the Indenture, the undersigned hereby certifies that it has sufficient commitment authority to issue the GNMA Securities (as defined in the Indenture).

ENTERPRISE COMMUNITY INVESTMENT, INC.

By: 
Its: Director, FHA Operations

B-1

ENTERPRISE COMMUNITY INVESTMENT, INC.

■ 6340 Sugarloaf Parkway, Ste. 380 ■ Duluth, GA 30097 ■ Ph: 678-892-3160 ■ Fax: 678-957-0078 ■
■ writer's direct dial: 770/367-4962 ■ www.enterprisecommunity.com

CITY OF CHICAGO

to

SEAWAY BANK AND TRUST COMPANY
as Trustee

TRUST INDENTURE

Dated as of March 1, 2012

Securing City of Chicago
Multi-Family Housing Revenue Bonds
(Hazel Winthrop Apartments) Series 2012B

TABLE OF CONTENTS
(This Table of Contents is not a part of this Trust Indenture
and is only for convenience of reference)

	<u>Page</u>
ARTICLE I DEFINITIONS	8
ARTICLE II THE BONDS	14
Section 2.1. Authorized Amount of Bonds/Authentication and Delivery of Bonds	14
Section 2.2. Issuance of Bonds; Disposition of Proceeds	14
Section 2.3. Execution; Limited Obligation	14
Section 2.4. Authentication	15
Section 2.5. Form and Place of Payment of Bonds	15
Section 2.6. Delivery of Bonds	16
Section 2.7. Mutilated, Lost, Stolen or Destroyed Bonds	16
Section 2.8. Registration, Transfer and Exchange of Bonds	16
Section 2.9. Cancellation of Bonds; Reductions of Letter of Credit	17
Section 2.10. Application of Bond Proceeds	18
Section 2.11. Book Entry System	18
Section 2.12. Successor Securities Depository; Transfers Outside Book Entry System	19
Section 2.13. Payments and Notices to Cede & Co	19
ARTICLE III REDEMPTION OF BONDS BEFORE MATURITY	19
Section 3.1. Certain Redemption Dates and Prices	19
Section 3.2. Partial Redemption of Bonds	20
Section 3.3. Notice of Redemption	20
Section 3.4. Redemption Payments	21
Section 3.5. Cancellation	22
ARTICLE IV INTENTIONALLY OMITTED	22
ARTICLE V GENERAL COVENANTS	22
Section 5.1. Payment of Principal, Premium, if any, and Interest	22
Section 5.2. Compliance with Code	22
Section 5.3. Instruments of Further Assurance	22
Section 5.4. List of Bondholders	23
Section 5.5. Rights Under Agreement	23
ARTICLE VI REVENUES AND FUNDS	23
Section 6.1. Source of Payment of the Bonds	23
Section 6.2. Creation of Bond Fund	23
Section 6.3. Payments into Bond Fund	23

TABLE OF CONTENTS
(continued)

		<u>Page</u>
Section 6.4.	Use of Moneys in Bond Fund; Draws on Letter of Credit	24
Section 6.5.	Custody of Bond Fund	25
Section 6.6.	Creation of Acquisition and Construction Fund and Capitalized Interest Fund	25
Section 6.7.	Payments into Acquisition and Construction Fund and the Capitalized Interest Fund; Disbursements	25
Section 6.8.	Moneys to be Held in Trust	26
Section 6.9.	Repayment to the Borrower and the Bank from Bond Fund	26
Section 6.10.	Additional Payments Under the Agreement	26
Section 6.11.	Rebate Fund	26
ARTICLE VII INVESTMENT OF MONEYS		27
ARTICLE VIII DISCHARGE OF LIEN		28
ARTICLE IX DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS		29
Section 9.1.	Defaults; Events of Default	29
Section 9.2.	Acceleration	30
Section 9.3.	Other Remedies; Rights of Bondholders	30
Section 9.4.	Right of Bank and Bondholders to Direct Proceedings	31
Section 9.5.	Appointment of Receivers	31
Section 9.6.	Waiver	31
Section 9.7.	Application of Moneys	32
Section 9.8.	Remedies Vested in Trustee	33
Section 9.9.	Rights and Remedies of Bondholders	33
Section 9.10.	Termination of Proceedings	34
Section 9.11.	Waivers of Events of Default	34
Section 9.12.	Notice of Defaults Under Section 9.1(f); Opportunity of the City and the Borrower to Cure Such Defaults	34
Section 9.13.	Remedies Not Exclusive	35
ARTICLE X TRUSTEE AND BOND REGISTRAR		35
Section 10.1.	Acceptance of Trusts	35
Section 10.2.	Fees, Charges, Indemnities and Expenses of the Trustee, the Bond Registrar and the City	37
Section 10.3.	Notice to Bondholders if Default Occurs	37
Section 10.4.	Intervention by the Trustee	38
Section 10.5.	Successor Trustee or Bond Registrar	38
Section 10.6.	Resignation by the Trustee or Bond Registrar	38
Section 10.7.	Removal of the Trustee or Bond Registrar	38
Section 10.8.	Appointment of Successor Trustee or Bond Registrar by Bondholders or City	38

TABLE OF CONTENTS
(continued)

	<u>Page</u>
Section 10.9. Concerning Any Successor Trustee	39
Section 10.10. Appointment of Successor Trustee	40
Section 10.11. Bond Registrar, Authenticating Agent and Paying Agent.....	40
Section 10.12. Notices to Rating Agencies	40
ARTICLE XI SUPPLEMENTAL INDENTURES	41
Section 11.1. Supplemental Indentures Not Requiring Consent of Bondholders.....	41
Section 11.2. Supplemental Indentures Requiring Consent of Bondholders	42
Section 11.3. Consent of Borrower and Bank.....	42
ARTICLE XII AMENDMENT OF AGREEMENT AND NOTE.....	43
Section 12.1. Amendments, Etc., to Agreement and Note Not Requiring Consent of Bondholders	43
Section 12.2. Amendments, Etc., to Agreement and Note Requiring Consent of Bondholders	43
Section 12.3. Consent of Bank.....	44
ARTICLE XIII AMENDMENT OF LETTER OF CREDIT	44
Section 13.1. Amendment of Letter of Credit.....	44
ARTICLE XIV MISCELLANEOUS	44
Section 14.1. Consents, Etc., of Bondholders	44
Section 14.2. Limitation of Rights	45
Section 14.3. HUD and GNMA Requirements to Control	45
Section 14.4. HUD Regulations	46
Section 14.5. Enforcement Not to Affect Mortgage Loan or GNMA Security	46
Section 14.6. Notices	46
Section 14.7. Payments Due on Non-Business Days	48
Section 14.8. Action by Borrower	49
Section 14.9. Counterparts	49
Section 14.10. Applicable Provisions of Law	49
Section 14.11. Captions	49
Section 14.12. References to Bank and Letter of Credit.....	49
Section 14.13. Provisions for Payment of Expenses	49
Section 14.14. Severability.....	49
Section 14.15. Third Party Beneficiary.....	49
EXHIBIT A Requisition Certificate	

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of March 1, 2012, is from the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "*City*"), to SEAWAY BANK AND TRUST COMPANY, a trust company duly organized under the laws of the State of Illinois having its designated corporate trust office in Chicago, Illinois, as trustee (the "*Trustee*").

RECITALS:

WHEREAS, Community Housing Partners XV L.P., an Illinois limited partnership (the "*Borrower*"), has requested financial assistance from the City to finance a project (the "*Project*") that consists of, among other things, the acquisition, rehabilitation and equipping of a low-income multi-family residential facility project consisting of approximately 30 residential units in four buildings located at 4509 North Hazel/852 West Sunnyside Avenue, 4426 North Magnolia Avenue, 912-914 West Montrose Avenue and 4813 North Winthrop Avenue, Chicago, Illinois and known as the "Hazel Winthrop Apartments." (the "*Project Facilities*"); and

WHEREAS, pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, the City is authorized to finance the Project for the Borrower by issuing its bonds and loaning the proceeds thereof to the Borrower, and, to that end, the City has adopted a Bond Ordinance duly authorizing and directing the issuance, sale and delivery of its multi-family housing revenue bonds, to be known generally as City of Chicago Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012B (the "*Bonds*"), to be issued as fully registered bonds and to secure payment of the principal thereof and of the interest and premium, if any, thereon and the performance and observance of the covenants and conditions herein contained, the City has authorized the execution and delivery of this Indenture; and

WHEREAS, upon the issuance of the Bonds, the City also will issue its \$2,274,400 aggregate principal amount of Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012A (FHA Insured/GNMA) to finance a portion of the cost of the Project; and

WHEREAS, the City will loan the proceeds of the Bonds to the Borrower by entering into a Loan Agreement dated as of March 1, 2012 (the "*Agreement*"), between the City and the Borrower, and to evidence its payment obligations thereunder, the Borrower will deliver to the Trustee a Promissory Note (the "*Note*") in the amount of \$3,620,000 and

WHEREAS, pursuant to the Agreement, the Borrower has agreed, among other things, to pay to or for the account of the Trustee an amount equal to the principal of, redemption premium and interest on the Bonds, as the same become due, all as set forth in the Agreement and the Note; and

WHEREAS, the City has determined to assign, transfer and pledge unto the Trustee as Trustee under this Indenture, for the benefit of the owners of the Bonds and the Bank, as set forth herein, all right, title and interest of the City in and to the Agreement and sums payable thereunder (except as otherwise provided herein and therein); and

WHEREAS, BMO Harris Bank N.A., Chicago, Illinois (together with any other issuer of a Letter of Credit, as hereinafter defined, the "*Bank*"), will issue an irrevocable, transferable Letter of Credit dated the date of issuance and delivery of the Bonds, in favor of the Trustee for the

benefit of the owners from time to time of the Bonds, in the amount of the aggregate principal amount of the Bonds, plus an amount equal to the interest to accrue on the Bonds for the period and at the rate required hereby, which initial Letter of Credit, together with any substitute Letter of Credit, is hereinafter referred to as the "*Letter of Credit*"; and

WHEREAS, the Bonds, the form of assignment and transfer and the Trustee's certificate of authentication to be endorsed thereon shall be in substantially the following form, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture:

[FORM OF BONDS]

No. R- 1

\$3,620,000

STATE OF ILLINOIS
UNITED STATES OF AMERICA
CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BOND
(HAZEL WINTHROP APARTMENTS) SERIES 2012B

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
1.00%	September 15, 2013	March 14, 2012	167570 TF7

Registered Owner:

Principal Amount: Three Million Six Hundred Twenty Thousand and 00/100 Dollars

The City of Chicago (the "*City*"), a municipality and home rule unit of local government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "*State*") for value received, hereby promises to pay solely from the sources and as hereinafter provided, to the Registered Owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, except as the provisions hereinafter set forth with respect to redemption and acceleration prior to the Maturity Date may become applicable hereto, and in like manner to pay interest on said Principal Amount at the Interest Rate hereinafter specified from the Dated Date shown above or from the most recent date to which interest has been paid, in accordance with the provisions hereof. Interest hereon shall be calculated on the basis of a calendar year consisting of 360 days of 12 30-day months, payable on March 15 and September 15 of each year commencing September 15, 2012 (each an "*Interest Payment Date*"), until the principal sum hereof becomes due and payable. Interest shall be payable on any overdue installment of principal, premium, if any, and (to the extent that such interest shall be legally enforceable) interest on this Bond at the rate of interest from time to time borne by this Bond from the due date thereof until paid. Principal of and premium, if any, on this Bond shall be payable in lawful money of the United States of America only at the principal corporate trust office of Seaway Bank and Trust Company, as Paying Agent, or its successors under trust (the "*Paying Agent*").

Interest on this Bond shall be payable to the Registered Owner hereof as of the Record Date (as hereinafter defined). Payments of interest on this Bond shall be made in lawful money of the United States of America by check or draft of the Paying Agent mailed on the applicable Interest Payment Date to the Registered Owner hereof at his address as it appears on the

registration books of the City kept by the Paying Agent, as registrar (the "*Bond Registrar*"), or at such other address as is furnished to the Paying Agent in writing by such Registered Owner no later than the close of business on the Record Date immediately preceding the applicable Interest Payment Date. As used herein, the term "*Record Date*" shall mean the fifteenth day of the calendar month immediately preceding an Interest Payment Date on this Bond.

This Bond is one of an authorized series of Bonds in the aggregate principal amount of \$3,620,000 (the "*Bonds*") issued for the purpose of loaning the proceeds thereof to Community Housing Partners XV L.P., an Illinois limited partnership (the "*Borrower*"), for the purpose of providing funds to pay a portion of the cost of acquiring, renovating and equipping a multi-family housing project (the "*Project*") owned and operated by the Borrower and located in Chicago, Illinois. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of a Trust Indenture dated as of March 1, 2012 (which indenture, as from time to time amended and supplemented, is herein referred to as the "*Indenture*"), duly executed and delivered by the City to Seaway Bank and Trust Company, Chicago, Illinois, as trustee (the "*Trustee*"). Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the City, the Trustee and the owners of the Bonds and the terms upon which the Bonds are issued and secured. The terms and conditions of the loan of the proceeds of the Bonds to the Borrower for the financing of the Project and the repayment of said funds are contained in a Loan Agreement dated as of March 1, 2012, by and between the City and the Borrower (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "*Agreement*").

Except as otherwise provided in the Indenture, the Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Trustee and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes, and neither the City, the Trustee nor the Paying Agent shall be affected by any notice to the contrary.

Subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation thereof, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations. The Bond Registrar shall not be required to transfer or exchange any Bond after notice calling such Bond or portion thereof for redemption prior to maturity has been given as herein provided, nor during the period of 10 days next preceding the giving of such notice of redemption.

BMO Harris Bank N.A. has issued an irrevocable, transferable letter of credit dated the date of delivery of the Bonds in favor of the Trustee for the benefit of the owners from time to time of the Bonds, supporting the payment of the unpaid principal amount of the Bonds and in either case up to 185 days of interest at the interest rate on the Bonds accrued on the Bonds to pay interest on the Bonds when due under the conditions set forth therein. The initial letter of credit, together with any substitute letter of credit, is hereinafter referred to as the "*Letter of Credit*," and BMO Harris Bank N.A., together with the issuer of any substitute Letter of Credit, is hereinafter referred to as the "*Bank*."

This Bond shall bear interest on the unpaid principal balance hereof until paid at the rate provided above.

The Bonds are subject to redemption prior to maturity from any available funds, including moneys derived from a prepayment of the Note (or a portion thereof) at the prices, on the dates and under the terms and conditions set forth in the Indenture.

The Registered Owner of this Bond has no right to enforce the provisions of the Indenture or the Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or the Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Indenture prescribes the manner in which it may be discharged, including a provision that under certain circumstances the Bonds shall be deemed to be paid if Governmental Obligations, as defined therein, maturing as to principal and interest in such amounts and on such dates as will provide sufficient funds to pay the principal of and interest and premium, if any, on such Bonds and all fees, charges and expenses of the Trustee, and all other liabilities of the Borrower under the Agreement, shall have been deposited with the Trustee, after which such Bonds shall no longer be secured by or entitled to the benefits of the Indenture or the Agreement, except for purposes of transfer and exchange and payment from such Governmental Obligations on the date or dates specified at the time of such deposit.

The Indenture permits the amendment thereof and the modification of the rights and obligations of the City and the rights of the owners of the Bonds at any time by the City with the consent of the Registered Owners of a majority, or in certain instances 100 percent, in aggregate principal amount of the Bonds at the time outstanding, as defined in the Indenture. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Bond. The Indenture also contains provisions permitting the Trustee to enter into certain supplemental indentures without the consent of the owners of the Bonds and to waive certain past defaults under the Indenture and their consequences. No supplemental indenture will become effective without the consent of the Borrower and, if a Letter of Credit is then in effect and if the Bank has not failed to honor a properly presented drawing thereunder, the Bank.

THIS BOND AND ALL OTHER BONDS ISSUED UNDER AND SECURED BY THE INDENTURE, AS HEREINAFTER DEFINED, ARE, AND ARE TO BE, EQUALLY AND RATABLY SECURED, TO THE EXTENT PROVIDED IN THE INDENTURE, SOLELY BY A PLEDGE OF THE REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE BONDS, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES AND ARE A VALID CLAIM OF THE OWNERS FROM TIME TO TIME THEREOF ONLY AGAINST THE MONEYS HELD BY THE TRUSTEE AND PLEDGED TO THE PAYMENT OF THE BONDS, AND THE REVENUES, WHICH REVENUES SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE OTHERWISE EXPRESSLY AUTHORIZED IN THE INDENTURE OR THE AGREEMENT. THE BONDS ARE NOT AN INDEBTEDNESS OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR THE GENERAL CREDIT TAXING POWERS OF THE STATE, THE CITY, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, AND SHALL NEVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY, AND NEITHER THE CITY, THE STATE NOR ANY OTHER POLITICAL

SUBDIVISION THEREOF SHALL BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF AND, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, AND THE BONDS ARE PAYABLE FROM NO OTHER SOURCE, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY OUT OF THE REVENUES AND RECEIPTS OF THE CITY DERIVED PURSUANT TO THE AGREEMENT. NO OWNER OF THE BONDS HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE, THE CITY OR ANY OTHER POLITICAL SUBDIVISION THEREOF TO PAY THE BONDS OR THE INTEREST OR PREMIUM, IF ANY, THEREON.

No recourse shall be had for the payment of the principal or premium, if any, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

This Bond is not valid unless the Certificate of Authentication endorsed hereon is duly executed by the Paying Agent.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or electronic transmission signature of its Mayor and its corporate seal or a electronic transmission thereof to be affixed, imprinted, lithographed or reproduced hereon and attested by the manual or electronic transmission signature of its City Clerk or Deputy City Clerk.

CITY OF CHICAGO

By: _____
Mayor

[Seal]

Attest:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds of the issue described in the within mentioned Trust Indenture.

Date of Authentication:

SEAWAY BANK AND TRUST COMPANY,
as Authenticating Agent

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

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

Unif Trans Min Act	-- Uniform Transfers to Minor Act
Cust	-- Custodian
Ten Com	-- as tenants in common
Ten Ent	-- as tenants by the entireties
Jt Ten	-- as joint tenants with right of survivorship and not as tenants in common

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

ASSIGNMENT

For Value Received, the undersigned sells, assigns and transfer unto

(Name, Address and Taxpayer Identification Number of Assignee)

the Multi-Family Housing Revenue Bond (Hazel Winthrop Apartments) Series 2012B (the "*Bond*") of the City of Chicago, numbered _____ and does hereby irrevocably constitute and appoint _____ to transfer the Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner

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

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or on such other guarantee program acceptable to the Trustee.

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued, as in this Indenture provided, valid, binding and legal special, limited obligations of the City, and to constitute this Indenture a valid and binding agreement securing payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued hereunder, have been done and performed; and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, in all respects duly have been authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH: That, to secure the payment of the principal of, and premium, if any, and interest on the Bonds according to their tenor and effect and the performance of all covenants and conditions therein and herein contained, and on a subordinated basis, to secure the obligations of the Borrower to the Bank under the Reimbursement Agreement, and in consideration of the premises, and of the purchase of the Bonds by the holders thereof, the City by these presents does grant, to the Trustee and its successors in trust, a lien on and a security interest in the following described property, rights, privileges and franchises,

GRANTING CLAUSE FIRST

All right, title and interest and privilege of the City now owned or hereafter acquired in, to and under the Agreement and any agreement supplementing, extending or modifying the same, including, without limitation, all present and future rights of the City to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to or for the account of or receivable by the City under the Agreement (whether payable pursuant to the Agreement or otherwise), to bring actions and proceedings under the Agreement or for the enforcement thereof, to pursue the remedies provided in the Agreement upon the occurrence of an event of default thereunder, and to do any and all things that the City is or may become entitled to do under the Agreement, but excluding the rights of the City (a) to receive payment of expenses and attorneys' fees thereunder, (b) for indemnification under Section 5.2 of the Agreement, (c) to receive notices and other documents under the Agreement, and (d) to inspect the Project Facilities and the books and records of the Borrower under Sections 5.1 and 5.3 of the Agreement;

GRANTING CLAUSE SECOND

All monies and securities held by the Trustee in any of the funds or accounts established under this Indenture subject, however, to the application thereof to the uses and in the manner set forth in this Indenture;

GRANTING CLAUSE THIRD

All property which is by the express provisions of this Indenture required to be subject to the lien hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the City or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder; and

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and

the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture, to the Trustee and its successors in trust and assigns forever.

IN TRUST, NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Indenture, without preference, privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds except as provided herein; and on a subordinated basis for the benefit, security and protection of the Bank as described above.

PROVIDED that if the City, its successors and assigns, shall well and truly pay or cause to be paid the principal or redemption price of the Bonds and the interest due or to become due thereon, at the times and in the manner recited in the form of Bond hereinbefore set forth according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article V hereof or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or Governmental Obligations, as hereinafter defined, sufficient for that purpose as provided in Article VIII hereof), and shall well and truly keep, perform and observe all the covenants and conditions required pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, and shall pay all amounts owing to the Bank under the Reimbursement Agreement and return the Letter of Credit to the Bank for cancellation, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void, and the Trustee shall forthwith release, surrender and otherwise cancel any interest it may have in the Agreement and the Note; otherwise this Indenture be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said payments, revenues, rents and receipts hereby pledged are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the said Bonds, as follows:

ARTICLE I

DEFINITIONS

All words and phrases defined in Article I of the Agreement shall have the same meanings in this Indenture. In addition, the following words and phrases shall have the following meanings:

"Acquisition and Construction Fund" means the City of Chicago Acquisition and Construction Fund (Hazel Winthrop Apartments), created and established in Section 6.6 of this Indenture.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by or against the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

“Agreement” means the Loan Agreement dated as of March 1, 2012, by and between the City and the Borrower, as from time to time supplemented and amended.

“Arbitrage Certificate” means the Arbitrage and Tax Certificate dated as of the date of issuance of the Bonds, between the Borrower and the City, relating to the Bonds.

“Authenticating Agent” means the Trustee or the Paying Agent.

“Available Moneys” mean (a) with respect to any date on which principal of, premium, if any, or interest on the Bonds is due during the term of the Letter of Credit, (i) Bond proceeds deposited with the Trustee contemporaneously with the issuance and sale of the Bonds and which were continuously thereafter held subject to the lien of this Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which were not Available Moneys were at any time held, together with investment earnings on such Bond proceeds; (ii) moneys (A) paid by the Borrower to the Trustee, (B) held in any fund, account or subaccount established hereunder in which no other moneys which are not Available Moneys are held, and (C) which have so been on deposit with the Trustee for at least 123 consecutive days from their receipt by the Trustee during and prior to which period no petition by or against the City or the Borrower under any bankruptcy or similar law now or hereafter enacted shall have been filed (unless such petition shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys; (iii) moneys received by the Trustee from any draw on the Letter of Credit, together with investment earnings on such moneys; (iv) the proceeds of any obligations issued to refund the Bonds (and the proceeds of the investment thereof), if (x) there is delivered to the Trustee at the time of issuance and sale of such obligations an opinion (which may assume that no owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) of nationally recognized bankruptcy counsel, in form acceptable to each Rating Agency then rating the Bonds, to the effect that the use of such proceeds to pay the principal of, premium, if any, or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code which could be recovered under Section 550(a) of the Bankruptcy Code should the City or the Borrower become a debtor in a case or proceeding commenced thereunder, and (y) tax counsel for the Borrower has determined that the refunding of the Bonds does not adversely affect the Project’s qualification for federal low income housing tax credits pursuant to Section 42 of the Code; and (v) any other moneys or securities, if there is delivered to the Trustee at the time of deposit of such moneys or securities an opinion (which may assume that no owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) of nationally recognized bankruptcy counsel, in form acceptable to each Rating Agency then rating the Bonds, to the effect that the use of such moneys or securities to pay the principal of, premium, if any, or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code which could be recovered under Section 550(a) of the Bankruptcy Code should the City or the Borrower become a debtor in a case or proceeding commenced thereunder and (b) with respect to any date on which principal of, premium, if any, or interest on the Bonds is due is payable during a period in which the Letter of Credit is not in effect, any moneys furnished to the Trustee pursuant to this Indenture and the proceeds from the investment thereof.

“Bank” means BMO Harris Bank N.A., Chicago, Illinois, in its capacity as the issuer of the initial Letter of Credit pursuant to Section 5.7 of the Agreement, its successors in such capacity and their assigns, and the issuer of any substitute Letter of Credit, its successors in such capacity and their assigns.

"Beneficial Owners" means the person in whose name a Bond is recorded as beneficial owner of such Bond by the Depository as a participant or indirect participant.

"Bond" or *"Bonds"* means the Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012B of the City, in the original aggregate principal amount of \$3,620,000 issued pursuant to this Indenture.

"Bond Counsel" means the counsel who rendered the opinion as to the tax-exempt status of the interest on the Bonds on the date of the issuance, sale and delivery of the Bonds or such other nationally recognized municipal bond counsel of recognized expertise with respect to such matters as may be mutually satisfactory to the City, the Borrower, the Bank and the Trustee.

"Bond Fund" means the City of Chicago Bond Fund (Hazel Winthrop Apartments), created and established by Section 6.2 of this Indenture.

"Bond Ordinance" means the ordinance adopted by the City Council of the City on March 9, 2011, which authorizes the issuance of the Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated March 8, 2012, among the City, the Borrower and the Underwriter, as from time to time supplemented and amended, relating to the purchaser by the Underwriter of the Bonds.

"Bond Registrar" means Seaway Bank and Trust Company, Chicago, Illinois, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor bond registrar at the time serving as such hereunder.

"Bondholder" or *"holder"* or *"owner"* of a Bond means the Registered Owner of such Bonds.

"Borrower" means Community Housing Partners XV L.P., an Illinois limited partnership, its successors and assigns.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which any of (a) the principal corporate trust office of the Trustee or (b) the principal office of the Bank is required or authorized by law or executive order to remain closed, (ii) a day on which the New York Stock Exchange is closed, or (iii) a day on which the Federal Reserve Banks are closed.

"Capitalized Interest Fund" means the Capitalized Interest Fund created pursuant to Section 6.6 hereof.

"City" means the City of Chicago, party of the first part to this Indenture, and its lawful successors and assigns.

"Closing Date" means March 14, 2012, the date of initial issuance and delivery of the Bonds.

"Code" means the federal Internal Revenue Code of 1986, as amended, and any regulations, temporary regulations and proposed regulations promulgated thereunder, or applicable thereto.

"Cost" or *"Costs"* means any cost in respect of the Project permitted under the Agreement.

"Depository" means DTC, or any other person who shall be an owner of all Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the City, the Borrower and the Trustee to act as the Depository; provided that any Depository shall be registered or qualified as a *"clearing agency"* within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended.

"Determination of Taxability" means (i) the receipt by the Borrower of a written notice from the Trustee or the receipt by the Borrower and the Trustee of a written notice from any owner of any Bond of the issuance of a preliminary letter regarding a proposed deficiency or a statutory notice of deficiency by the Internal Revenue Service which holds, in effect, that the interest payable on such Bond, or any installment thereof, is includible in the federal gross income of the taxpayer named therein (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code); or (ii) the delivery to the Borrower and the Trustee of an opinion of Bond Counsel to the effect that the interest payable on any Bond, or any installment thereof, is includible in the federal gross income of the taxpayer named therein (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code); or (iii) filing by the Borrower with the Trustee, any owner of any Bond or the Internal Revenue Service of any certificate, statement, or other tax schedule, return or document which discloses that the interest payable on any Bond, or any installment thereof, is includible in the federal gross income of the owner of any Bond or any former owner of any Bond (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code); or (iv) any amendment, modification, addition or change shall be made in any provision of the Code or in any regulation or proposed regulation thereunder, or any ruling shall be issued or revoked by the Internal Revenue Service; or any other action shall be taken by the Internal Revenue Service, the Department of Treasury or any other governmental agency, authority or instrumentality, or any opinion of any federal court or of the United States Tax Court shall be rendered, and the Trustee, the Bank or the owner of any Bond shall have notified the Borrower and the Trustee in writing that, as a result of any such event or condition, Bond Counsel is unable to give an unqualified opinion that the interest payable on any Bond, or any installment thereof, made on or after a date specified in said notice is excludible from the federal gross income of the taxpayer named therein (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code). No event described in clause (i) above shall constitute a Determination of Taxability unless the Borrower has been afforded the opportunity to contest the same either directly or in the name of any Bondholder or Beneficial Owner, and until conclusion of any appellate review, if sought.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Escrow Agreement" means the Escrow Agreement dated March 14, 2012 among the City, the Trustee, the Borrower, the Bank, Enterprise Community Investment, Inc. and Title Services, Inc. as amended from time to time.

"Event of Default" means any occurrence or event specified as such in Section 9.1 hereof.

"GNMA" means the Government National Mortgage Association, and its successors and assigns.

"Governmental Obligations" means noncallable, direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"HUD Regulatory Agreement" means the Regulatory Agreement for Multi-Family Housing Projects (HUD Project 071-35838) with respect to the Project between the Borrower and HUD, as the same may be amended, restated or supplemented from time to time.

"Indenture" means this Trust Indenture, as from time to time supplemented and amended.

"Interest Payment Date" means each March 15 and September 15, commencing September 15, 2012.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of the date hereof, between the City and the Borrower.

"Letter of Credit" means the initial irrevocable, transferable Letter of Credit delivered to the Trustee pursuant to Section 5.7 of the Agreement, and any extensions or amendments thereof.

"Moody's" means Moody's Investors Service, Inc., a corporation duly organized and validly existing under the laws of the State of Delaware, and its successor and assigns.

"Note" means the promissory note of the Borrower made payable to the Trustee pursuant to Section 4.2(a) of the Agreement.

"Outstanding" or *"Bonds outstanding"* means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase or because of payment at maturity or upon redemption prior to maturity;

(b) Bonds or portions thereof (of authorized denominations) deemed to be paid, as provided in Article VIII hereof;

(c) Bonds in lieu of which other Bonds have been authenticated under Sections 2.7, 2.8 and 3.2 hereof; and

(d) Unsurrendered Bonds.

If this Indenture shall have been discharged pursuant to the provisions of Article VIII hereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

"Paying Agent" means the Bond Registrar, serving as paying agent pursuant to this Indenture.

"Project" or *"HUD Project"* means the acquisition, construction, rehabilitation and equipping of the Project Facilities (HUD Project No. 071-35838).

"Project Facilities" means, collectively, the real estate and other property located at the addresses set forth in the recitals hereto, including all of the buildings and improvements to be erected, rehabilitated or installed therein and thereon, together with fixtures, machinery, furnishings and equipment included therein and all replacements thereto.

"Rating Agency" means S&P, Moody's, and their respective successors and assigns, and, if for any reason either such rating agency no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City and approved in writing by the Borrower and the Bank.

"Rating Category" or *"Rating Categories"* means one or more of the generic rating categories of a nationally recognized securities rating agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Rebate Analyst" means a firm or individual expert in the calculation of arbitrage rebate under Section 148 of the Code selected by the Borrower and acceptable to the City.

"Record Date" means the first day of the calendar month during which an Interest Payment Date occurs.

"Registered Owner" means the person or persons in whose name or names a Bond is registered on the registration books of the City maintained by the Bond Registrar for that purpose in accordance with the terms of this Indenture.

"Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement dated as of March 1, 2012, between the Borrower and the Bank, as from time to time supplemented and amended, under the terms of which the Bank agrees to issue and deliver the initial Letter of Credit to the Trustee; and, unless the context or use indicates another or different meaning or intent, as from time to time supplemented and amended, which provides that it is a Reimbursement Agreement for purposes of the Agreement and this Indenture.

"Representation Letter" means the Blanket Issuer Letter of Representations from the City and accepted by DTC.

"Revenues" means the amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, consisting of the following: (i) all amounts payable pursuant to Section 4.2(a) of the Agreement, including amounts payable on the Note, and all receipts of the Trustee credited under the provisions of this Indenture against said amount payable, including all moneys drawn by the Trustee under the Letter of Credit to pay the principal of, premium, if any, and interest on the Bonds, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under Sections 6.1 and 6.7 hereof, and (iii) any amounts paid into the Bond Fund from the Acquisition and Construction Fund, including income on investments of the Bond Fund and the Acquisition and Construction Fund.

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

"State" means the State of Illinois.

"Substantial User" means "substantial user" within the meaning of Section 147(a) of the Code (or any successor sections thereto).

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee" means Seaway Bank and Trust Company, Chicago, Illinois, a national banking association and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Underwriter" means, collectively, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Chicago, Illinois, and Gardner Rich, LLC, Chicago, Illinois, the initial purchasers of the Bonds.

ARTICLE II

THE BONDS

Section 2.1. Authorized Amount of Bonds/Authentication and Delivery of Bonds. The total principal amount of Bonds that may be issued is hereby expressly limited to \$3,620,000 except as provided in Sections 2.7, 2.8 and 3.2 hereof.

The Trustee, forthwith upon execution and delivery of this Indenture or thereafter, from time to time, upon execution and delivery to the Trustee by the City of the Bonds, and without any further action on the part of the City, shall authenticate the Bonds in an aggregate principal amount not to exceed \$3,620,000, and shall deliver the Bonds upon the request of the City.

Section 2.2. Issuance of Bonds; Disposition of Proceeds. The Bonds shall be designated "City of Chicago, Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments) Series 2012B," and shall be in the aggregate principal amount of \$3,620,000. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. Except as provided in Section 3.2 hereof, the Bonds shall be issuable only as fully registered Bonds without coupons in denominations of \$5,000 and any integral multiple thereof. Unless the City shall otherwise direct, the Bonds shall be numbered separately from R-1 upward.

All Bonds shall be dated the date of initial issuance and delivery thereof by the City, and shall mature on September 15, 2013 (subject to prior redemption as hereinafter provided in Article III). Bonds shall also bear the date of their respective authentication as specified in Section 2.4 hereof. Interest on the Bonds shall be payable on each Interest Payment Date.

The Bonds shall bear interest from the Closing Date to the Maturity Date at the rate of 1.00% per annum.

The Bonds shall be subject to redemption prior to maturity as set forth in Article III hereof.

The proceeds derived from the issuance of the Bonds shall be applied as provided in Section 2.10 hereof.

Section 2.3. Execution; Limited Obligation. The Bonds shall be executed on behalf of the City with the manual or electronic transmission signature of its Mayor and shall have impressed or imprinted thereon the official seal of the City or a electronic transmission thereof and shall be attested by the manual or electronic transmission signature of its City Clerk or

Deputy City Clerk. All authorized electronic transmission signatures shall have the same force and effect as if manually signed. If any official whose signature or a electronic transmission of whose signature shall appear on the Bonds shall cease to be such official before the authentication or delivery of such Bonds, such signature or such electronic transmission shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bonds may be signed on behalf of the City by such persons who, at the time of the execution of such Bonds, are duly authorized or hold the appropriate office of the City, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

The Bonds, together with premium, if any, and interest thereon, are special, limited obligations of the City, payable solely from the Revenues and are a valid claim of the owners from time to time thereof only against the Bond Fund and other moneys held by the Trustee and pledged to the payment of the Bonds, and the Revenues, which Revenues shall be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture or the Agreement. The Bonds are not an indebtedness of the City or a charge against its general credit or the general credit taxing powers of the State, the City, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the City, and neither the City, the State nor any other political subdivision thereof shall be liable for the payments of principal of and, premium, if any, and interest on the Bonds, and the Bonds are payable from no other source, but are special, limited obligations of the City, payable solely out of the Revenues and receipts of the City derived pursuant to the Agreement. No owner of the Bonds has the right to compel any exercise of the taxing power of the State, the City or any other political subdivision thereof to pay the Bonds or the interest or premium, if any, thereon.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds or for any claim based thereon or any obligation, covenant or agreement in this Indenture against any official of the City, or any official, officer, agent, employee or independent contractor of the City or any person executing the Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, this Indenture or any other document executed in connection herewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, agent or employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 2.4. Authentication. No Bond is valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth has been duly executed by the Authenticating Agent, and such executed certificate of the Authenticating Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the Bondholder thereof is entitled to the benefit of the trust hereby created.

Section 2.5. Form and Place of Payment of Bonds. The Bonds issued under this Indenture shall be substantially in the form hereinabove set forth with such variations, omissions and insertions as are permitted or required by this Indenture.

The principal of and premium, if any, and interest on the Bonds is payable in lawful money of the United States of America only at the principal corporate trust office of the Paying

Agent. Payment of interest on any Bond due on any regularly scheduled Interest Payment Date shall be made to the Registered Owner thereof. Payments of interest on any Bond shall be made by check or draft of the Paying Agent mailed on the applicable Interest Payment Date to the Registered Owner thereof as of the Record Date preceding such Interest Payment Date at the address of such Registered Owner as it appears on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished to the Paying Agent in writing by such Registered Owner no later than the close of business on such Record Date. The Trustee shall transfer to the Paying Agent, from moneys on deposit in the Bond Fund, on or before a scheduled payment date, amounts sufficient to make such payments to the Registered Owner in immediately available funds.

Section 2.6. Delivery of Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the purchaser or purchasers thereof as directed by the City as hereinafter in this Section 2.6 provided.

Prior to the delivery of any of the Bonds there shall be filed with the Trustee (and the Trustee shall notify the Authenticating Agent of such filing):

1. A copy, duly certified by an authorized officer of the City, of the Bond Ordinance.
2. The Note, the Letter of Credit and original executed counterparts of this Indenture, the Agreement, the Reimbursement Agreement and the Bond Purchase Agreement.
3. A written request and authorization to the Authenticating Agent by the City and signed by an authorized officer of the City to authenticate and deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, but for the account of the City, of a sum specified in such written request and authorization representing the principal proceeds of the Bonds, plus a sum specified in such request and authorization representing accrued interest, if any, thereon to the date of delivery.
4. Evidence of recordation of the Land Use Restriction Agreement.

Section 2.7. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Authenticating Agent may authenticate a new Bond of like denomination as that mutilated, lost, stolen or destroyed, bearing a number not contemporaneously then outstanding; provided that in the case of any mutilated bond, such mutilated Bond shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City, the Trustee, the Bond Registrar and the Borrower evidence of such loss, theft or destruction satisfactory to the City, the Trustee, the Bond Registrar and the Borrower, together with an indemnity satisfactory to each of them. If any such Bond shall have matured or is to mature within 15 days after the request for a new Bond, instead of issuing a duplicate Bond, the City may pay the same on the appropriate date. As a prerequisite to the delivery of such Bonds, the City and the Authenticating Agent may charge the owner of such Bond with their reasonable fees and expenses in this connection.

Section 2.8. Registration, Transfer and Exchange of Bonds.

(a) The Trustee, as Bond Registrar, shall fully register, on the registration books of the City to be maintained by the Trustee, each of the Bonds issued hereunder in the name of the owner. The registration books shall be kept for that purpose at the principal corporate trust office of the Trustee. No transfer of a Bond shall at any time be valid unless it is made in the registration books at the written request of the Registered Owner or his legal representative. A Bond is transferable by the Registered Owner or his duly authorized attorney at the principal corporate trust office of the Trustee, upon surrender of the Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Trustee, subject to such reasonable regulations as the City or the Trustee may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new fully registered Bond or Bonds of the same maturity and in the same aggregate principal amount will be issued to the transferee.

(b) The City and the Trustee shall not be required to (i) issue or register the transfer of or exchange any Bonds to be considered for redemption during the period beginning on the 10th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption or (ii) register the transfer of or exchange any portion of any Bonds selected for redemption until after the redemption date.

(c) Upon payment of any required tax, fee or other governmental charge and subject to the conditions provided in this Indenture, Bonds, upon the surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Registered Owner thereof, may be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate of any other authorized denomination.

(d) The City and the Trustee may deem and treat the person in whose name the Bond shall be registered at any particular point in time (whether such time is a Record Date or otherwise) as the absolute owner thereof for all purposes, whether such Bond shall be overdue or not, and payment of or on account of the principal of or interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof (at such point in time as provided herein) or his legal representative, but such registration may be changed, as herein provided. All such payments made by the Trustee pursuant to this Indenture shall be valid and effectual to satisfy and discharge the liability of the City upon any such Bond, to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary.

Section 2.9. Cancellation of Bonds; Reductions of Letter of Credit. Whenever any outstanding Bond shall be delivered to the Trustee or the Bond Registrar for cancellation pursuant to this Indenture, upon payment of the principal amount represented thereby, or for replacement pursuant to Section 2.7 hereof, or upon exchange or transfer pursuant to Section 2.8 hereof, or upon partial redemption pursuant to Section 3.2 hereof, such Bond shall be delivered by the Trustee to the Bond Registrar, shall be promptly canceled and destroyed by the Bond Registrar and counterparts of a certificate evidencing such cancellation and destruction shall be furnished by the Bond Registrar to the Trustee, the City and the Borrower. If the Bonds are redeemed prior to maturity in part pursuant to Article III hereof and delivered by the Borrower to the Trustee for cancellation pursuant to this Section 2.9 in the aggregate principal amount of \$100,000 or more, the Trustee may reduce the amount of the Letter of Credit in accordance with its terms in an amount equal to the principal amount of such Bonds plus interest on such principal amount for the number of days of interest coverage then specified in the Letter of Credit at the interest rate on the Bonds.

Section 2.10. Application of Bond Proceeds. The proceeds of the Bonds shall be deposited with the Trustee, as follows:

- (a) \$80,000 shall be transferred to the Trustee, as "Trustee" under the Trust Indenture of even date herewith between the City and the Trustee relating to the City's \$2,274,400 Multi-Family Housing Revenue Bonds (Hazel Winthrop Apartments), Series 2012A (FHA Insured/GNMA);
- (b) \$3,540,000 shall be deposited in the Acquisition and Construction Fund; and
- (c) \$ 0 shall be deposited in the Capitalized Interest Fund.

Section 2.11. Book Entry System. Initially, it is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a single fully registered Bond. Upon initial issuance, the ownership of such Bond shall be registered in the name of Cede & Co., as nominee of DTC. The City and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of an owner only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City, the Trustee and the Borrower shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the City, the Trustee and the Borrower shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any Indirect Participant or any other person, other than an owner, as shown in the registration books of the City, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or Indirect Participant or any other person, other than an owner, as shown in the registration books of the City, of any amount with respect to principal of, premium, if any, or interest on, the Bonds or (iv) any consent given by DTC as owner. So long as certificates for the Bonds are not issued pursuant to Section 2.12, the City, the Borrower and the Trustee may treat DTC or any successor Depository as, and deem DTC or any successor Depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the owner at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 2.12. Successor Securities Depository; Transfers Outside Book Entry System. If (a) the City or the Borrower determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) the City or the Borrower determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the registration books of the City in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor Depository operating a securities depository system, as may be acceptable to the City, or such Depository's agent or designee, or if the City does not select such an alternate securities depository system then the Bonds may be registered in whatever name or names owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 2.13. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.1. Certain Redemption Dates and Prices.

(a) *No Optional Redemption.* The Bonds shall not be subject to redemption prior to maturity at the option of the Borrower (except as described in (b) below).

(b) *Extraordinary Optional Redemption.* At the option of the Borrower, the Bonds are subject to redemption as a whole prior to maturity on any date at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, within 90 days after the occurrence of any one of the following events:

(i) the Project Facilities shall have been damaged or destroyed to such an extent that, in the opinion of the Borrower, (x) the required restoration and repair could not reasonably be expected to be completed within a period of six months after commencement of restoration or repair, (y) the Borrower is prevented or would likely be prevented from using the Project Facilities for normal purposes for a period of six months or more, or (z) the cost of restoration and repair would exceed 25 percent of the original cost of acquiring, constructing and equipping the Project Facilities; or

(ii) title to the whole or any part of the Project Facilities or the use or possession thereof shall have been taken or condemned by a competent authority to such an extent that, in the opinion of the Borrower, the Borrower is prevented from using the Project Facilities for normal purposes for a period of six months or more.

(c) *Mandatory Redemption Upon Determination of Taxability.* The Bonds are subject to mandatory redemption prior to maturity by the City, as a whole and not in part, on any date within 60 days of the occurrence of a Determination of Taxability, at a redemption price of

100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

(d) *Mandatory Redemption of Bonds Upon Termination of Agreement by City Under Section 6.6 of Agreement.* The Bonds will be redeemed in whole on any day within 30 days after the Borrower and the Trustee receive written notice from the City of a termination of the Agreement and the Bonds pursuant to Section 6.6 of the Agreement. Such redemption shall be at a redemption price equal to the principal amount of the Bonds plus accrued interest to the redemption date.

Section 3.2. Partial Redemption of Bonds. In the case of a partial redemption of Bonds prior to maturity by lot when Bonds of denominations greater than \$5,000 are then outstanding, then for all purposes in connection with such redemption, each \$5,000 of face value of principal amount shall be treated as though it were a separate Bond in the denomination of \$5,000, as the case may be. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond is to be called for redemption, then upon notice of redemption of such \$5,000 unit or units, the owner of such Bond shall forthwith surrender such Bond to the Paying Agent (1) for payment of the redemption price (including the premium, if any, and interest, if any, to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. If the owner of any such Bond of a denomination greater than \$5,000 of principal amount shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent, and being available for the redemption of said unit or units on the date fixed for redemption) such Bond shall not be entitled to the benefit or security of this Indenture to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units of face value nor shall new Bonds be thereafter issued corresponding to said unit or units. Bonds shall be redeemed only in authorized denominations. During any period in which this Indenture requires minimum denominations of \$100,000, the Trustee shall not select portions of Bonds for redemption, such that the outstanding principal amount of any Bond is less than \$5,000 after giving effect to such call for redemption.

Section 3.3. Notice of Redemption. (a) Upon any redemption of Bonds pursuant to subsections (b), (c) or (d) above (and where required in such cases upon receipt of the redemption notice from the Borrower pursuant to Section 7.3 of the Agreement), the City hereby directs the Trustee to, and the Trustee shall, direct the Bond Registrar to call Bonds for redemption by mailing a copy of the notice of redemption to the Bank, the Borrower and the Paying Agent at the same time as the Bond Registrar mails such notice of redemption to the owners of the Bonds as provided below; provided that so long as the Letter of Credit is in effect, the Trustee shall not direct the Bond Registrar to give notice of any redemption pursuant to Section 3.1(b) hereof unless the Bank has consented in writing to such redemption.

Such notice of the call for any redemption shall be given by the Trustee, at the direction of the Borrower or the City (which direction shall be in writing), by directing the Bond Registrar to mail a copy of the redemption notice by first class mail, postage prepaid, at least 30 but not

more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed as a whole or in part at the address shown on the registration books of the City maintained by the Bond Registrar; provided that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond, or portion thereof with respect to which no such failure or defect has occurred.

All notices of redemption shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) the identification, including complete designation and issue date of the series of Bonds of which such Bonds are a part and the CUSIP number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Bonds to be redeemed;
- (4) that on the date fixed for redemption the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date;
- (5) the name and address of the Trustee and any Paying Agent for such Bonds, including the name and telephone number of a contact person and the place where such Bonds are to be surrendered for payment of the redemption price; and
- (6) such other information as the Trustee deems advisable.

(b) In addition to the redemption notice required by the Section 3.3(a) hereof, further notice (the "*Additional Redemption Notice*") shall be given by the Trustee as set forth below, but no defect in the Additional Redemption Notice, nor any failure to give all or any portion of the Additional Redemption Notice, shall in any manner affect the effectiveness of a call for redemption if notice thereof is given as prescribed in Section 3.3(a) of this Indenture.

Each Additional Redemption Notice given hereunder shall contain the information required by Section 3.3(a) hereof, plus (i) the date such notice has been or will be mailed pursuant to this subsection (b); (ii) the date of issuance of the Bonds being redeemed, as originally issued; (iii) the maturity date of each Bond (or portion thereof) to be redeemed prior to maturity; and (iv) any other descriptive information needed to identify accurately the Bonds being redeemed prior to maturity.

Each Additional Redemption Notice shall be sent at least 30 days before the date fixed for redemption by legible electronic transmission, registered or certified mail (postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds.

Section 3.4. Redemption Payments. On or prior to the date fixed for redemption, funds immediately available hereunder at the principal corporate trust office of the Trustee on such redemption date shall be deposited in the Bond Fund and transferred to the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds in the Bond

Fund to the payment of, the Bonds or portions thereof called for redemption, together with accrued interest, if any, thereon to the date fixed for redemption and any required premium. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds or portions thereof thus called shall no longer accrue from and after the date fixed for redemption, and such Bonds shall no longer be entitled to the benefit or security of this Indenture.

Section 3.5. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and disposed of by the Trustee or Bond Registrar in accordance with Section 2.9 hereof.

ARTICLE IV

INTENTIONALLY OMITTED

ARTICLE V

GENERAL COVENANTS

Section 5.1. Payment of Principal, Premium, if any, and Interest. The City covenants that it will promptly pay or cause to be paid the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal of, premium, if any, and interest on the Bonds are payable by the City solely and only from the Revenues, and nothing in the Bonds or this Indenture should be considered as assigning or pledging any other funds or assets of the City, other than such Revenues and the right, title and interest of the City in and to the Agreement (except as otherwise provided herein) in the manner and to the extent herein specified.

Section 5.2. Compliance with Code. (a) The City, to the extent that it has control over any of the following proceeds or payments, and the Trustee, to the extent that it has discretion with respect to investment of such proceeds, covenant and agree that they will not take any action or fail to take any action with respect to the payments derived from the security pledged hereunder or from the Agreement which would result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The City and the Trustee further covenant and agree that they will comply with and take the specific actions required by the Arbitrage Certificate.

(b) The City covenants that it shall not use or cause the use of any proceeds of Bonds or any other funds of the City, directly or indirectly, in any manner, and shall not take or cause to be taken any other action or actions, or fail to take any action or actions, which would result in interest on any of the Bonds becoming includable in gross income of any holder thereof. The City further covenants that it shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the City on the Bonds shall be excluded from the gross income of the recipients thereof for federal income tax purposes.

Section 5.3. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee or the Bank may reasonably require for the better assuring, transferring, conveying,

pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts assigned and pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The City covenants and agrees that, except as herein and in the Agreement and the Note provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Revenues or its rights under the Agreement.

Section 5.4. List of Bondholders. The Bond Registrar will keep on file a list of names and addresses of all Registered Owners of the Bonds on the registration books of the City maintained by the Bond Registrar, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Bond Registrar, said list may be inspected and copied by the Trustee, by the Borrower, by the Bank or by the owners (or a designated representative thereof) of 15 percent or more in aggregate principal amount of Bonds then outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee, or by any other person mandated by law. It is expressly understood that so long as the Bonds are held in the DTC System, the sole Registered Owner is Cede & Co.

Section 5.5. Rights Under Agreement. The Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the City and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Borrower thereunder, and the City agrees that the Trustee in its name or in the name of the City may enforce all rights of the City (except those rights reserved by the City hereunder) and all obligations of the Borrower under and pursuant to the Agreement for and on behalf of the Registered Owners, whether or not the City is in default hereunder.

ARTICLE VI

REVENUES AND FUNDS

Section 6.1. Source of Payment of the Bonds. The Bonds herein authorized and all payments to be made by the City hereunder, are not general obligations of the City, but are special, limited obligations payable solely and only from the Revenues and as provided in the Agreement and in this Indenture.

The Revenues are to be remitted directly to the Trustee for the account of the City and deposited in the Bond Fund (hereinafter created). The entire amount of said Revenues is hereby assigned and pledged to the payment of the principal of and interest and premium, if any, on the Bonds (and as otherwise provided in this Indenture).

Section 6.2. Creation of Bond Fund. There is hereby created by the City and established with the Trustee a Bond Fund to be designated "City of Chicago Bond Fund (Hazel Winthrop Apartments)," which is pledged and shall be used to pay the principal of, premium, if any, and interest on the Bonds. Within the Bond Fund there are hereby established accounts to be designated "*Bond Fund – Principal and Interest Account*" and "*Bond Fund - Letter of Credit Account*".

Section 6.3. Payments into Bond Fund. There shall be deposited in the Bond Fund, as and when received, (a) any amount in the Acquisition and Construction Fund directed to be paid into the Principal and Interest Account under Section 6.7 and Article VII hereof; (b) all Revenues for deposit in the Principal and Interest Account; and (c) all other moneys received by

the Trustee under and pursuant to any of the provisions of the Agreement, the Note or the Letter of Credit which are required or which are accompanied by directions that such moneys are to be paid into the Principal and Interest Account or the Letter of Credit Account, as the case may be.

Section 6.4. Use of Moneys in Bond Fund; Draws on Letter of Credit. Except as provided in Sections 6.9 and 10.2 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, on the Bonds at maturity or upon acceleration and for the redemption of the Bonds prior to maturity, and for the payment of the interest on the Bonds when due and for the payment of the obligations of the Borrower under the Reimbursement Agreement.

The City hereby authorizes and directs the Trustee to withdraw, from time to time, sufficient moneys from the Bond Fund to pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts. Funds for such payments of the principal of and premium, if any, and interest on such Bonds shall be derived from the following sources in the order of priority indicated:

(a) if the Letter of Credit is then in effect, all moneys derived by the Trustee from a draw under the Letter of Credit for principal of, premium, if any, and interest on the Bonds;

(b) moneys transferred from the Acquisition and Construction Fund to the Bond Fund pursuant to Section 3.4 of the Agreement, provided that such moneys constitute Available Moneys, to pay principal of the Bonds at maturity or upon redemption prior to maturity;

(c) Available Moneys held by the Trustee pursuant to Article VIII hereof, such moneys to be applied only to the payment or the redemption of Bonds which are deemed to be paid in accordance with Article VIII hereof;

(d) payments made by the Borrower pursuant to the Note and Article VII of the Agreement, such moneys to be applied only to the redemption of Bonds, provided that such amounts constitute Available Moneys;

(e) all payments made by the Borrower pursuant to the Note and Section 4.2(a) of the Agreement, and amounts derived from the investment of such amounts; and

(f) all other amounts received by the Trustee under and pursuant to the Agreement, the Note or from any other source when required or accompanied by directions by the Borrower that such amounts are to be paid into the Bond Fund, and amounts derived from the investment of such amounts.

If the Letter of Credit is then in effect, on the Business Day immediately preceding the date on which any principal and/or interest shall become due on the Bonds, whether upon any Interest Payment Date, at maturity, upon the date fixed for redemption or upon maturity by declaration of acceleration of the Bonds, the Trustee shall, without making any prior claim or demand upon the Borrower, draw under and in accordance with the Letter of Credit so as to receive moneys thereunder in an amount which shall be equal to the amount of principal and interest coming due on the Bonds on the date such payment is due; provided that such draw upon a declaration of acceleration shall be as soon as possible and in no event later than three Business Days after such declaration of acceleration. Any such moneys drawn under the Letter of Credit shall be deposited and held in the Bond Fund - Letter of Credit Account which shall be

a separate, segregated account in the Bond Fund, and shall not be commingled with other moneys in the Bond Fund. If for any reason funds are not available under the Letter of Credit for payment of principal and/or interest due on the Bonds on any such date, the Trustee shall immediately request from the Borrower funds sufficient to make all such payments of principal and/or interest on the Bonds pursuant to the Note and Section 4.2(a) of the Agreement by directing that the Borrower deposit such funds with the Trustee at its principal corporate trust office.

Notwithstanding the foregoing, the Trustee shall not make any draw upon the Letter of Credit with respect to payments of amounts due on Bonds which are owned by the Borrower or the Issuer or, following any Letter of Credit draw to pay principal, the Bank.

If the Letter of Credit is then in effect, all payments by the Borrower under Section 4.2(a) of the Agreement and deposited into the Bond Fund pursuant to clause (e) above and any amounts referenced in clause (b) above shall be paid by the Trustee to the Bank and applied against the Borrower's obligation to reimburse the Bank for draws under the Letter of Credit under the Reimbursement Agreement.

Section 6.5. Custody of Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the City, and the City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund and transfer same to the Paying Agent to pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 6.6. Creation of Acquisition and Construction Fund and Capitalized Interest Fund. There is hereby created by the City and established with the Trustee a trust fund to be designated the "City of Chicago Acquisition and Construction Fund (Hazel Winthrop Apartments)," which shall be expended in accordance with the provisions of Sections 3.3 and 3.4 of the Agreement and Section 6.7 hereof.

There is hereby created by the City and established with the Trustee a trust fund to be designated the "City of Chicago Capitalized Interest Fund (Hazel Winthrop Apartments)," which shall be expended in accordance with the provisions of Section 3.3 of the Agreement and Section 6.7 hereof.

The Trustee is hereby directed to hold all moneys in the Acquisition and Construction Fund and the Capitalized Interest Fund in accounts created at the Bank.

Section 6.7. Payments into Acquisition and Construction Fund and the Capitalized Interest Fund; Disbursements. The proceeds of the Bonds shall be deposited in the Acquisition and Construction Fund and, if applicable, the Capitalized Interest Fund as provided in Section 2.10 hereof. All moneys in the Acquisition and Construction Fund shall be expended on written requisitions signed by an Authorized Borrower Representative, as defined in the Agreement, and approved in writing by the Bank, in the form attached as Exhibit A hereto in accordance with the provisions of the Agreement. Disbursements from the Acquisition and Construction Fund shall be made into the escrow established pursuant to the Escrow Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Acquisition and Construction Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs is or has been filed as provided in Section 3.4 of the Agreement, the Trustee shall file an accounting thereof with the City and the Borrower. The

completion of the Project and payment or provision made for payment of the full Cost of the Project shall be evidenced by the filing with the Trustee of a certificate required by the provisions of Section 3.4 of the Agreement. Any balance remaining in the Acquisition and Construction Fund on the Completion Date shall be used in accordance with said Section 3.4. If the Borrower should prepay installments in whole pursuant to Section 7.1 or 7.2 of the Agreement, or if an event of default shall occur and be continuing hereunder, any balance then remaining in the Acquisition and Construction Fund shall without further authorization be deposited in the Bond Fund by the Trustee.

Since no moneys are being deposited in the Capitalized Interest Fund pursuant to Section 2.10 (c) hereof, the provisions relating to the application of moneys in such fund have been intentionally omitted.

Section 6.8. Moneys to be Held in Trust All moneys required to be deposited with or paid to the Trustee for the account of the Bond Fund, the Acquisition and Construction Fund and the Capitalized Interest Fund under any provision of this Indenture shall be held by the Trustee in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and except for moneys deposited with or paid to the Trustee for the payment of interest on specific Bonds and except for moneys which have been deposited with the Trustee pursuant to Article VIII hereof, while held by the Trustee constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 6.9. Repayment to the Borrower and the Bank from Bond Fund. Any amounts remaining in the Bond Fund or any other fund or account established pursuant to this Indenture after payment in full of the Bonds (or provision therefor having been made in accordance herewith), other than the payment of the fees, charges and expenses of the Trustee and the Bond Registrar and all other amounts required to be paid hereunder and under the Agreement, the Note and the Letter of Credit, shall be paid to the Borrower or the Bank, as provided in Section 8.5 of the Agreement, and at such time the Note shall be canceled and delivered to the Borrower.

Section 6.10. Additional Payments Under the Agreement. Pursuant to Section 4.2(c) of the Agreement the Borrower has agreed to pay as provided therein fees and expenses of the Trustee. All such additional payments received by the Trustee shall not be paid into the Bond Fund, but shall be disbursed by the Trustee solely for the purposes for which said additional payments are received. The Trustee hereby agrees to make such disbursements.

Section 6.11. Rebate Fund. There is hereby created by the City and established with the Trustee a Rebate Fund to be designated City of Chicago Rebate Fund (Hazel Winthrop Apartments). The purpose of the Rebate Fund is to facilitate compliance with Section 148(f) of the Code. Any Rebate Amount (as defined in the Arbitrage Certificate) deposited in such Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien of the Indenture or to the claim of any other person, including, without limitation, the Bondholders and the City. The requirements of this Section 6.11 are subject to, and shall be interpreted in accordance with, Section 148(f) of the Code and the Treasury Regulations applicable thereto (the "Regulations") and shall apply except to the extent the Trustee is furnished with an opinion of Bond Counsel or other satisfactory evidence that the Regulations contain an applicable exception. The Trustee shall make all payments, and file all forms, under the direction of the Borrower and pursuant to the Arbitrage Certificate.

Promptly upon the retirement of the Bonds, the Trustee shall provide the Borrower with a statement of earnings on funds and accounts held under this Indenture during any period not covered by a prior statement. Each statement shall include the purchase and sale prices of each investment, if any (including any commission paid thereon which shall be separately stated if such information is available), the dates of each investment transaction, information as to whether such transactions were made at a discount or premium and such other information known or reasonably available to the Trustee as the Borrower or rebate analyst shall reasonably require. If so requested by the Borrower at any time, the Trustee shall create within the Bond Fund separate accounts for purposes of accounting for earnings on amounts attributable to the Bonds.

The Trustee shall promptly transfer to the Rebate Fund each amount required to be deposited therein pursuant to the written direction of the Borrower or the Rebate Analyst pursuant to the Arbitrage Certificate, first from earnings in the Acquisition and Construction Fund, and, second, to the extent amounts in the Acquisition and Construction Fund are insufficient, from revenues which have been deposited into the Bond Fund and earnings thereon. To the extent that the amount to be deposited into the Rebate Fund exceeds the amount which can be transferred from such funds, the Trustee shall promptly notify the Borrower and an amount equal to such deficiency shall be paid promptly by the Borrower to the Trustee for deposit into the Rebate Fund.

The Borrower and the Trustee, on behalf of the City, shall keep such records as will enable them to fulfill their respective responsibilities under this Section 4.07 and Section 148(f) of the Code, and the Borrower shall engage a Rebate Analyst as may be necessary in connection with such responsibilities. The Trustee, to the extent furnished to it, will retain records of all calculations performed by the Rebate Analyst until six years after the retirement of the last obligation of the Bonds. The fees and expenses of the rebate analyst shall be paid by the Borrower pursuant to the Loan Agreement to the extent amounts provided hereunder are insufficient for such purpose. For purposes of the computation of the Rebate Amount required under the Arbitrage Certificate, the Trustee shall make available to the Borrower and the Issuer during normal business hours all information in the Trustee's control which is necessary to such computations.

ARTICLE VII

INVESTMENT OF MONEYS

Any moneys held as part of the Acquisition and Construction Fund, the Capitalized Interest Fund or the Bond Fund shall be invested and reinvested by the Trustee at the direction of the Borrower in accordance with the provisions of Section 3.5 of the Agreement. Any moneys derived from a drawing under the Letter of Credit and deposited in the Bond Fund (including any moneys held for the payment of a particular Bond and any income derived from the investment of such moneys), if invested or reinvested, shall be invested or reinvested in Governmental Obligations which mature within the lesser of 30 days or as needed to make timely payment of principal and interest on the Bonds. The Trustee may make any and all such investments through its own bond department. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund for which they were made. The interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any net loss resulting from such investments shall be charged to such fund. Notwithstanding the foregoing, interest accruing thereon and profits realized from investments in the Acquisition and Construction Fund shall be initially credited to such fund and then

transferred to the Bond Fund pursuant to Section 6.3 hereof. The Trustee, at the direction of the Borrower, shall sell and reduce to cash a sufficient amount of such investments of the Acquisition and Construction Fund, as specified in such direction, whenever the cash balance in the Acquisition and Construction Fund is insufficient to pay a requisition when presented. The Trustee shall sell and reduce to cash a sufficient amount of such investments of the Bond Fund whenever the cash balance in the Bond Fund is insufficient to pay the principal of, premium, if any, and interest on the Bonds when due; provided, that the Trustee shall first sell and reduce to cash those investments of the Bond Fund which mature earliest.

ARTICLE VIII

DISCHARGE OF LIEN

If the City shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to or for the owners from time to time of the Bonds, the principal, premium, if any, and interest due or to become due thereon on the dates and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, and the Borrower shall pay or cause to be paid all obligations of the Borrower to reimburse the Bank for drawings under the Reimbursement Agreement and other amounts due and payable to the Bank under the Reimbursement Agreement and the Borrower shall pay or cause to be paid all obligations of the Borrower to the City, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the lien of this Indenture shall be canceled and except for amounts in the Bond Fund required to be paid to the Bank under Section 6.9 hereof, all amounts held hereunder shall be paid to the Borrower. Upon such discharge, the Trustee shall cancel the Note and return it to the Borrower and shall cancel the Letter of Credit and return it to the Bank.

Any Bond shall be deemed to be paid within the meaning of this Article VIII when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption prior to maturity as provided in this Indenture, either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (1) Available Moneys sufficient to make such payment, or (2) Governmental Obligations purchased with Available Moneys (provided that in the opinion of Bond Counsel such deposit will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds or cause any of the Bonds to be classified as "*arbitrage bonds*" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and on such dates as will provide sufficient moneys without reinvestment to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Borrower under the Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. No defeasance shall be effective until the Trustee shall receive prior written evidence from each Rating Agency then rating the Bonds that such deposit referred to in the prior sentence will not cause a reduction or withdrawal of the then current rating on the Bonds. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes set forth in Sections 2.7 and 2.8 hereof and any such payment from such moneys or Governmental Obligations on the date or dates specified at the time of such deposit.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Borrower, on behalf of the City, shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal (and premium, if any) of each such Bond is to be paid, whether at maturity or on a redemption date (which may be any redemption date permitted by this Indenture);

(b) to direct the Bond Registrar to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) to direct the Bond Registrar to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in (a) hereof.

Any moneys so deposited with the Trustee as provided in this Article VIII may at the written direction of the Borrower also be invested and reinvested in Governmental Obligations, maturing in the amounts and on the dates as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to this Article VIII which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys are deposited, shall be deposited in the Bond Fund as and when collected for use and application as are other moneys deposited in that fund.

Anything in Article XI hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article VIII for the payment of the principal of, premium, if any, and interest on the Bonds and the principal of, premium, if any, and interest on such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article VIII shall be made without the consent of the owner of each of the Bonds affected thereby.

Notwithstanding the release and discharge of the lien of this Indenture as provided above, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof and redemption provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, stolen or Unsurrendered Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, redemption of Bonds and the duties of the Trustee, the Bond Registrar, and the Paying Agent in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the owners of the Bonds.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 9.1. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default" hereunder:

(a) Failure to pay interest on any Bond when such interest shall have become due and payable;

(b) Failure to pay the principal of, or premium, if any, on any Bond, when due, whether at the stated maturity thereof or upon proceedings for redemption thereof;

(c) Receipt by the Trustee of written notice from the Bank of the occurrence of an "Event of Default" under the Reimbursement Agreement and requesting the Trustee to accelerate the Bonds;

(d) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the City in this Indenture or in the Bonds contained and failure to remedy the same after notice thereof pursuant to Section 9.12 hereof; or

(e) The occurrence of an "Event of Default" under the Agreement.

Section 9.2. Acceleration. Upon (i) the occurrence of an Event of Default under Section 9.1(c), the Trustee shall, or (ii) the occurrence and continuance of any other Event of Default hereunder the Trustee may, and upon the written request of the owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding and the interest accrued thereon to the date of such declaration immediately due and payable (and interest on the Bonds shall cease to accrue from and after the date of declaration of acceleration), and such principal, interest, and any premium the City shall have become obligated to pay prior to such date, if any, shall thereupon become and be immediately due and payable; provided that so long as a Letter of Credit is in effect and the Bank has not failed to honor a properly presented and conforming drawing thereunder, no acceleration shall be declared under subsection (ii) of this Section 9.2 by reason of a default under Sections 9.1 (d) or (e) hereof without the prior written consent of the Bank. Upon any declaration of acceleration hereunder the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under Section 4.2(a) of the Agreement and under the Note in accordance with Section 6.2(a) of the Agreement, and, if the Letter of Credit is then in effect, the Trustee shall as soon as possible and in no event later than three Business Days after such declaration, draw under the Letter of Credit to the fullest extent permitted by the terms thereof to pay the principal of, and accrued interest on, the Bonds and shall fix the date upon which funds shall be applied as provided in Section 9.7 hereof. As soon as practicable upon any such declaration of acceleration, the Trustee shall give written notice thereof to the City and the Borrower; provided that failure to give such notice shall not affect the validity or effectiveness of such declaration.

Section 9.3. Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default hereunder the Trustee may, in addition or as an alternative to the remedy provided for in Section 9.2 hereof, pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding. If an Event of Default shall have occurred, and if requested so to do by the owners of a majority in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Section 10.1(l) hereof, the Trustee shall and in its own name:

(a) By mandamus, other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the City to collect the amounts payable under the Agreement and the Note and to require the City to carry out any other provisions of this Indenture for the benefit of the Bondholders;

- (b) Pursue any and all remedies available to it under the Agreement;
- (c) Bring suit upon the Bonds;
- (d) By action or suit in equity require the City to account as if it were the trustee of an express trust for the Bondholders; and
- (e) By action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the City (or to the Registered Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the City or to the Registered Owners hereunder or now or hereafter existing at law or in equity.

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

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

Section 9.4. Right of Bank and Bondholders to Direct Proceedings. Subject to the provisions of Section 10.1(l) hereof, anything in this Indenture to the contrary notwithstanding, the Bank or the owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not result in the personal liability of the Trustee; and provided further, that the Bank shall have no such right to direct proceedings relating to remedies against the Bank, including any drawing under the Letter of Credit. In the event of conflict between the directions of the Bank and those of the Registered Owners with respect to an Event of Default, the directions of the Bank shall prevail so long as the Bank has not failed to honor a properly presented and conforming drawing under the Letter of Credit. The Trustee may take any other action under this Indenture which is not inconsistent with such direction.

Section 9.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 9.6. Waiver. Upon the occurrence of an Event of Default hereunder, to the extent that such rights may then lawfully be waived, neither the City, nor anyone claiming through or under the City, shall set up, claim, or seek to take advantage of any appraisalment,

valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, and the City, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 9.7. Application of Moneys. All moneys (other than moneys derived from a drawing under the Letter of Credit received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX shall, after payment to the Trustee and the Bond Registrar of all amounts due and payable pursuant to Section 10.2 hereof and after payment of all expenses of the Trustee incurred in connection with litigation against the Bank resulting from the Bank's failure to honor a properly presented drawing under the Letter of Credit, be deposited in the Bond Fund; all moneys derived from a drawing under the Letter of Credit to pay principal of and interest on the Bonds shall be deposited in the Bond Fund - Letter of Credit Account, a separate, segregated account in the Bond Fund; and all moneys in the Bond Fund (other than moneys held for the payment of a particular Bond) during the continuation of an Event of Default hereunder shall be applied in the order of priority set forth in Section 6.4 hereof, as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First - To the payment to the persons entitled thereto of all interest then due on the Bonds and, if the amount available shall not be sufficient to pay said amount in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or privilege;

Second - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture and, if the amount available shall not be sufficient to pay in full such unpaid principal premium and, then to the payment ratably to the persons entitled thereto without any discrimination or privilege; and

Third - To the payment of the obligations of the Borrower due and owing to the Bank under the Reimbursement Agreement.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied First, to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege, and Second, to the payment of the obligations of the Borrower due and owing under the Reimbursement Agreement.

(c) If the principal of all of the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article IX then, subject to the provisions of Section 9.7(b) hereof if the principal of all of the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 9.7(a) hereof.

Subject to the provisions of Section 10.2 hereof, whenever moneys are to be applied pursuant to the provisions of this Section 9.7, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue; provided that if the Trustee shall declare an acceleration and shall draw under the Letter of Credit to pay the principal of and accrued interest on the Bonds, pursuant to Section 6.4 hereof, the Trustee shall fix the date upon which such application is to be made, which date shall be the date of such drawing under the Letter of Credit. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.8. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of the outstanding Bonds.

Section 9.9. Rights and Remedies of Bondholders. No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture, the Agreement or the Note or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder or thereunder, unless a default has also occurred and the Trustee has been notified as provided in Section 10.1(h) hereof, or by said subsection it is deemed to have notice, nor unless such default shall have become an Event of Default hereunder and the owners of a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 10.1(l), nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name for 60 days after such notification, request, and offer of indemnification; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, the Agreement or the Note, or for the appointment of a receiver or for any other remedy hereunder or thereunder; it being understood and intended that not one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder or thereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. Nothing contained in this Indenture, however, shall affect or impair the right of any Registered Owner to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the City to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective owners thereof on the date, at the place, from the source

and in the manner in the Bonds expressed, subject to the rights of the Bank as set forth in Section 9.4 hereof.

Section 9.10. Termination of Proceedings. If the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder respectively with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been taken.

Section 9.11. Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences, other than any Event of Default under Sections 9.1(c) or (d) hereof, the waiver of which shall require the prior written consent of the Bank provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit, and rescind any declaration of acceleration of principal, and shall do so upon the written request of the owners of (1) a majority in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal or interest, or both, exists, or (2) a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided that there shall not be waived (a) any default in the payment of the principal of or premium, if any, on any Outstanding Bonds at the date of maturity specified therein or redemption prior to maturity, or (b) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of principal or interest, or both, with interest, to the extent permitted by law, as in the Bonds provided on overdue installments and all expenses of the Trustee, in connection with such default shall have been paid or provided for; provided that if the Trustee shall have made a drawing under the Letter of Credit in connection with any such Event of Default to be so waived, no such waiver shall be effective until the Trustee receives written evidence from the Bank that it has rescinded its notice of an event of default under the Reimbursement Agreement and that the Letter of Credit shall have been reinstated to an amount equal to the outstanding principal amount of the Bonds plus interest thereon for the sum of 185 days; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon; provided further, that a waiver of any "Event of Default" under the Reimbursement Agreement by the Bank and a rescission and annulment of its consequences by the Bank and (if the Event of Default hereunder is the event described in Section 9.1(c) or Section 9.1(d) hereof), a reinstatement of the Letter of Credit shall, upon written notice, delivered to the Trustee from the Bank of such waiver, rescission, annulment and reinstatement, constitute a waiver of the corresponding Event of Default hereunder and a rescission and annulment of the consequences thereof.

Section 9.12. Notice of Defaults Under Section 9.1(f); Opportunity of the City and the Borrower to Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 9.1(e) hereof shall constitute an Event of Default hereunder until notice of such default by registered or certified mail, return receipt requested, shall be given to the City, the Borrower, the partners of the Borrower and the Bank by the Trustee or to the City, the Borrower, the partners of the Borrower, the Trustee and the Bank by the owners of not less than a majority in aggregate principal amount of all Bonds then Outstanding, which notice shall specify such default, request that said default be remedied and state that such notice is a "Notice of Default"

hereunder, and the City and the Borrower shall have had 90 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period.

With regard to any default concerning which notice is given to the City, the Borrower and the Bank under the provisions of this Section 9.12, the City hereby grants the Borrower full authority for the account of the City to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the City with full power to do any and all lawful things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

In the event the City fails to perform any of its covenants or obligations under this Indenture, the Borrower shall have the right but not obligation to perform such covenants or obligations and the City hereby consents to such fulfillment and waives any right it may have to interfere therewith.

Section 9.13. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE X

TRUSTEE AND BOND REGISTRAR

Section 10.1. Acceptance of Trusts. The Trustee and the Bond Registrar hereby accept the respective trusts imposed upon them by this Indenture and agree to perform said trusts and all ministerial duties and obligations of the City under the Agreement and this Indenture, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after any and all Events of Default which may have occurred hereunder have been cured by the appropriate party, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default has occurred hereunder (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee and the Bond Registrar may execute any of the trusts or powers hereof and perform any of their respective duties by or through attorneys, agents, receivers or employees, but shall, in the case of attorneys, agents, receivers or employees, not be answerable for the conduct of the same if appointed by the Trustee or the Bond Registrar in good faith and without negligence, and shall be entitled to advice of counsel concerning its duties hereunder and thereunder, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder or thereunder in good faith in reliance thereon, and may in all cases pay such reasonable compensation to all such attorneys, agents and receivers as may reasonably be employed in connection with the trusts hereof or thereof.

(c) The Trustee and the Bond Registrar shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Authenticating Agent endorsed on the Bonds and the legend required by Section 2.2 hereof), or for the validity of the

execution by the City of this Indenture or any supplemental indentures hereto, or of any instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee and the Bond Registrar shall not be accountable for the use of the proceeds of any Bonds authenticated or delivered hereunder. The Trustee or the Bond Registrar may become the owner of Bonds secured hereby with the same rights which it would have if it were not the Trustee or the Bond Registrar.

(e) The Trustee and the Bond Registrar shall be protected in acting upon any requisition, notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee and the Bond Registrar 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 owner of any Bond, shall be conclusive and binding upon such owner and all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof or on registration of transfer thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee and the Bond Registrar shall be entitled to rely upon a certificate signed by a member or an authorized officer of the City or an Authorized Borrower Representative under the Agreement as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in Section 10.1(h) hereof, or of which by Section 10.1(h) it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee and the Bond Registrar may accept a certificate of an officer of the City under the seal of the City to the effect that an authorization in the form therein set forth has been adopted by the City as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(g) The permissive right of the Trustee and the Bond Registrar to do things enumerated in this Indenture shall not be construed as a duty and neither the Trustee nor the Bond Registrar shall be answerable for other than their negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made by Article V hereof, unless the Trustee shall be specifically notified in writing of such default by the City, the Bank or by the owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee (unless otherwise provided in the Bonds and this Indenture), and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times and after reasonable notice has been provided, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the City pertaining to the Project and the Bonds.

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

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

(l) Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished by such owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its failure to comply with the standard of care prescribed by Section 10.1(a) hereof in the case of actions referred to in Sections 9.3, 9.4 and 9.5 hereof, and, in the case of an action referred to in Section 10.4 hereof, liability which is adjudicated to have resulted from its negligence or willful misconduct. Notwithstanding anything contained herein to the contrary, the Trustee is required to (i) draw on the Letter of Credit pursuant to its terms, (ii) make payments to bondholders in accordance with this Indenture on each Interest Payment Date, on any redemption date and at maturity, (iii) provide notices to bondholders required to be delivered hereunder and (iv) effect any mandatory redemption or acceleration pursuant to Sections 9.1(c) or (d) hereof, in each case without indemnification from any party.

Section 10.2. Fees, Charges, Indemnities and Expenses of the Trustee, the Bond Registrar and the City. The Trustee, the Bond Registrar and the City shall be entitled to payment and reimbursement for reasonable fees for their respective services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Trustee, the Bond Registrar and the City in connection with such services and in connection with entering into this Indenture, including any such fees and expenses incurred in connection with action taken under Article IX hereof. The Trustee, the Bond Registrar and the City shall also be entitled to payment of their reasonable fees, charges and expenses in the event that provision for the payment of the Bonds is made pursuant to Article VIII hereof. The Trustee shall have a first lien for the foregoing fees, charges and expenses with the right to enforce such lien for payment prior to payment on account of principal of, premium, if any, and interest on any Bond upon the Trust Estate (other than moneys derived from a drawing under the Letter of Credit or held for the payment of particular Bonds whether or not such payment is then due and owing) for the foregoing fees, charges and expenses incurred by it. Notwithstanding anything herein to the contrary, including the failure to pay fees and expenses, the Trustee shall at all times be required to (i) pay, to the extent moneys are on deposit under this Indenture and available therefor, principal of, premium, if any, and interest on the Bonds when due at maturity, upon redemption prior to maturity, acceleration or otherwise, (ii) to make drawings under the Letter of Credit, when required to do so by the terms of this Indenture, (iii) to accelerate payment of the principal of and interest on the Bonds when required to do so by the terms of this Indenture.

Section 10.3. Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by Section 10.1(h) hereof required to take notice or if notice of default be given as

therein provided, then the Trustee shall promptly give written notice thereof to the Bond Registrar, the Bank, the Borrower and the Bond Registrar shall promptly give written notice thereof by first class mail, postage prepaid, to the owner of each Bond as shown by the list of Registered Owners required by the terms of Section 5.8 hereof to be kept at the office of the Trustee.

Section 10.4. Intervention by the Trustee. In any judicial proceeding to which the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the owners from time to time of the Bonds, the Trustee may intervene on behalf of Registered Owners and shall do so if requested in writing by the owners of at least a majority of the aggregate principal amount of Bonds then Outstanding.

Section 10.5. Successor Trustee or Bond Registrar. Any corporation or association into which the Trustee or Bond Registrar may be converted or merged, or with which be consolidated, or to which any one of them may sell or transfer its corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation to which any one of them is a party, shall be and become successor Trustee or Bond Registrar, hereunder 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. Any such successor Trustee or Bond Registrar shall give notice thereof to the City, the Borrower and the Bank.

Section 10.6. Resignation by the Trustee or Bond Registrar. The Trustee, Bond Registrar and any successor Trustee or Bond Registrar may at any time resign from the trusts hereby created by giving 30 days' written notice by first class mail, postage prepaid, to the City, the Borrower, the Bank, and the owner of each Bond as shown by the list of Registered Owners required by Section 5.6 hereof to be kept by the Bond Registrar, provided that such resignation shall only take effect when a successor Trustee or successor Bond Registrar, as the case may be, has been appointed pursuant to Section 10.8.

Section 10.7. Removal of the Trustee or Bond Registrar. The Trustee or Bond Registrar may be removed at any time (subject to the appointment of a successor Trustee, successor Bond Registrar, as the case may be, pursuant to Section 10.8 hereof), by (i) the City, at the written request of the Borrower, delivered to the Trustee, to the Bond Registrar, to the City and to the Bank, and (ii) an instrument or concurrent instruments in writing delivered to the Trustee, to the Bond Registrar, to the City, to the Borrower and to the Bank, and signed by the owners of a majority in aggregate principal amount of Bonds then Outstanding provided that no such removal shall take effect until a successor Trustee or successor Bond Registrar, as the case may be, has been appointed pursuant to Section 10.8.

Section 10.8. Appointment of Successor Trustee or Bond Registrar by Bondholders or City. If the Trustee or Bond Registrar hereunder shall give notice of resignation or be removed, or be dissolved, or shall be in the 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 office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered

personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Borrower or the Bank. Pending such appointment by the Bondholders, the City may, with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee or Bond Registrar by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Borrower and the Bank. If the City fails to act pursuant to the previous sentence, the Borrower may (to the extent no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee or Bond Registrar by an instrument in writing signed by an authorized officer of the Borrower, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the City and the Bank. If the Registered Owners and the City or Borrower fail to so appoint a successor Trustee or Bond Registrar hereunder within 45 days after the Trustee or Bond Registrar has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Trustee or Bond Registrar shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Trustee or Bond Registrar appointed pursuant to the provisions of this Section 10.8 shall be a trust company or bank with trust powers in good standing in the state of its incorporation and have a reported capital and surplus of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trust upon customary terms and applicable law. Notwithstanding any of the provisions of this Article X to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the Bank shall have issued and delivered to the successor Trustee (i) a substitute Letter of Credit in substantially the same form as the existing Letter of Credit, but in favor of the successor Trustee, whereupon the retiring Trustee shall simultaneously return the Letter of Credit then held by it to the Bank for cancellation, or (ii) an amendment to the existing Letter of Credit, evidencing transfer thereof in all respects to the successor Trustee, to the extent permitted by law and by the terms of the Letter of Credit.

Section 10.9. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City 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 predecessor; but such predecessor shall, nevertheless, on the written request of the City, or of its successor, execute and deliver an instrument transferring to such successor 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 or thereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby or thereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder and thereunder, together with all other instruments provided for in this Article X, shall be filed or recorded by the successor Trustee in each recording office where the Indenture shall have been filed or recorded.

Section 10.10. Appointment of Successor Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Agreement, the Note or the Letter of Credit, and in particular in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein or in the Agreement or the Note to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) and the Bank, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 10.10 are adapted to these ends.

If the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or voted in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the City, the Trustee, the Borrower and the Bank.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. If the City shall fail to deliver the same within 15 days of such request, the Trustee is hereby appointed attorney-in-fact for the City to execute, acknowledge and deliver such instruments in the City's name and stead. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the states, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 10.11. Bond Registrar, Authenticating Agent and Paying Agent. The Trustee is hereby appointed as and agrees to act as Bond Registrar, Paying Agent and Authenticating Agent for and in respect of the Bonds.

Section 10.12. Notices to Rating Agencies. The Trustee shall provide Moody's or S&P, as appropriate, with prompt written notice following the effective date of such event of (i) the appointment of any successor Trustee or any agent appointed by the Trustee to perform a material duty, (ii) any material amendments to this Indenture, the Agreement, the Letter of Credit or any other document relating to this transaction to which the Trustee is a party or with respect to which the Trustee has received prior written notice, (iii) the termination of the Letter of

Credit, or (iv) the redemption in whole of the Bonds. The Trustee shall not be liable to any party for failing to provide any notice pursuant to this Section 10.13.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 11.1. Supplemental Indentures Not Requiring Consent of Bondholders. The City and the Trustee may, without consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change, provided that no such action in the judgment of the Trustee is to the prejudice of the Registered Owners;

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

(c) To permit fully registered Bonds to be exchanged for coupon Bonds (which may be registrable as to principal only) upon receipt by the City, the Borrower and the Trustee of an opinion of Bond Counsel to the effect that the exchange of fully registered Bonds for Bonds in coupon form is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation;

(d) To make further provisions for a book-entry system of registration for the Bonds;

(e) To provide for the purchase of Bonds on the open market on behalf of the Borrower from funds derived through drawings under the Letter of Credit, provided that the Borrower provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation and will not have an adverse effect on the security provided to the owners from time to time of the Bonds by this Indenture;

(f) To secure or maintain ratings from the Rating Agencies in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories of the applicable Rating Agency or Agencies, which changes will not restrict, limit or reduce the obligation of the Borrower to pay the principal of and premium, if any, and interest on the Bonds or otherwise materially adversely affect the Registered Owners under this Indenture, but only if there shall be supplied to the Borrower, the City, the Bank and the Trustee an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation; or

(g) To make any other change which in the sole determination of the Trustee does not materially adversely affect the owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select, but only if there shall be supplied to the Borrower, the City, the Bank and the Trustee an opinion of Bond Counsel stating that the

proposed modification or amendment will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation.

Upon the execution of such supplemental indenture as in this Section 11.1 permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith.

Section 11.2. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided that nothing in this Section 11.2 or in Section 11.1 hereof contained shall permit, or be construed as permitting, without the consent of the owners of 100 percent in aggregate principal amount of the Bonds then Outstanding, (a) an extension of the maturity (or mandatory redemption date) of the principal of, premium, if any, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, or the interest rate borne by any Bond, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or for consent to any amendment, change or modification to the Agreement as provided in Section 12.2 hereof, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (g) the deprivation of the owner of any Bond then outstanding of the lien hereby created on the Trust Estate.

If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 11.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail, postage prepaid, to the owner of each Bond then Outstanding as shown by the list of Registered Owners required by the terms of Section 5.8 hereof to be kept at the office of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Registered Owners. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the owners of not less than a majority or 100 percent, as the case may be, in aggregate principal amount of the Bonds then Outstanding shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 11.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 11.3. Consent of Borrower and Bank. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XI shall not become effective unless and until the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) and the Bank (provided that the Bank shall not have failed

to honor a properly presented and conforming drawing under the Letter of Credit) shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture, together with a copy of the proposed supplemental indenture, to be given by first class mail, postage prepaid, to the Borrower and the Bank 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 of protest or objection thereto signed by or on behalf of the Borrower, as the case may be, on or before 4:30 P.M., local time, at the principal corporate trust office of the Trustee, on the fifteenth day after the mailing of said notice. Prior to the execution of any supplemental indenture which affects the duties of the Bond Registrar hereunder, consent must be obtained from the Bond Registrar.

ARTICLE XII

AMENDMENT OF AGREEMENT AND NOTE

Section 12.1. Amendments, Etc., to Agreement and Note Not Requiring Consent of Bondholders. The City and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Agreement (including an assignment thereof) and the Exhibits thereto and the Note as may be required (i) by the provisions of the Agreement or this Indenture; (ii) for the purpose of curing any ambiguity or formal defect or omission or in connection with any other change therein, provided, that any such action in the judgment of the Trustee will not materially adversely affect the Registered Owners; (iii) to secure or maintain ratings from the Rating Agencies in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories of the applicable Rating Agency or Agencies; (iv) to provide for the purchase of Bonds on the open market on behalf of the Borrower from funds derived through drawings under the Letter of Credit; and (v) to make any other change which in the sole determination of the Trustee does not materially adversely affect the Registered Owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select. With respect to any such amendment the Borrower must provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation.

Section 12.2. Amendments, Etc., to Agreement and Note Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 hereof, the City and the Trustee shall not consent to any other amendment, change or modification of the Agreement or the Note without the giving of notice and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding given as in this Section 12.2; provided that nothing in this Section 12.2 or in Section 12.1 hereof contained shall permit or be construed as permitting, without the consent of the owners of 100 percent in aggregate principal amount of the Bonds then Outstanding, (a) an extension of time for the payment of an amount due pursuant to Section 4.2(a) or 4.2(e) of the Agreement; (b) a reduction in the total amount due pursuant to Section 4.2(a) or 4.2(e) of the Agreement and on the Note; or (c) a reduction in the aggregate principal amount of the Bonds required for consent to such amendment, change or modification of the Agreement and the Note. With respect to any such amendment the Borrower must provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross

income of the owners thereof for purposes of federal income taxation. If at any time the City and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Agreement or the Note, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 11.2 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all owners.

Section 12.3. Consent of Bank. Anything herein to the contrary notwithstanding, any amendment, change or modification of the Agreement or the Note under this Article XII shall not become effective unless and until the Bank, provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit, shall have consented in writing to the execution and delivery of such amendment, change or modification. In this regard, the City shall cause the Trustee to give notice of the proposed execution of any such amendment, change or modification, together with a copy of the proposed amendment, change or modification, to be given by the first class mail, postage prepaid, to the Bank at least 15 days prior to the proposed date of execution and delivery of any such amendment, change or modification.

ARTICLE XIII

AMENDMENT OF LETTER OF CREDIT

Section 13.1. Amendment of Letter of Credit. The Trustee may, without the consent of or notice to the owners of the Bonds, consent to any amendment, change or modification of the Letter of Credit or the exhibits thereto as may be required (i) for the purpose of curing any ambiguity or formal defect or omission; (ii) to obtain a credit rating on the Bonds from a Rating Agency; (iii) to effect a transfer thereof to a successor Trustee; (iv) to effect an extension of the terms thereof; (v) to effect a reduction or reinstatement thereof in accordance with its terms; or (vi) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the interests of the owners of the Bonds; provided that the Trustee shall not consent to any other change, modification or amendment to the Letter of Credit without notice to and the written consent or approval of the owners of not less than 100 percent in aggregate principal amount of the Bonds then Outstanding. The consent of the City under this Section 13.1 shall not be unreasonably withheld.

ARTICLE XIV

MISCELLANEOUS

Section 14.1. Consents, Etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the owners may be in any number of concurrent documents and may be executed by such owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, 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 acknowledgment 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, or in any manner satisfactory to the Trustee.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the City maintained by the Trustee pursuant to Section 2.8 hereof.

In determining whether the owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Borrower or any person related to the Borrower shall be disregarded and deemed not to be Outstanding under this Indenture, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Borrower.

Notwithstanding the foregoing paragraph, Bonds owned by the Borrower or any person related to the Borrower shall be deemed to be Outstanding under the Indenture if all the Bonds Outstanding at the time are owned by the Borrower; provided that in such event the Borrower may not consent to any supplement to this Indenture that would adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation; and provided further, that if a supplement to this Indenture is executed at a time when the Borrower or any person related to the Borrower are the owners of all the Outstanding Bonds, Bond Counsel shall render an opinion that the execution of the supplement to this Indenture does not have an adverse effect on the validity of the Bonds or the exemption of the interest thereon from gross income of the owners thereof for purposes of federal income taxation.

Section 14.2. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or borrower other than the parties hereto, the Borrower, the Bank, the Bond Registrar and the owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions therein 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 Borrower, the Bank, the Bond Registrar and the owners from time to time of the Bonds as herein provided.

Section 14.3. HUD and GNMA Requirements to Control. Notwithstanding anything in this Indenture to the contrary, the provisions of this Indenture and the Financing Agreement are subject and subordinate to the National Housing Act, all applicable HUD insurance regulations and related administrative requirements and the Mortgage Loan Documents and all applicable GNMA regulations and related administrative requirements; and in the event of any conflict between the provisions of this Indenture or the Loan Agreement and the provisions of the National Housing Act, any applicable HUD regulations, related administrative requirements and the Mortgage Loan Documents, any applicable GNMA regulations and related administrative

requirements, the said National Housing Act, HUD regulations, related administrative requirements and Mortgage Loan Documents, and the said GNMA regulations and related administrative requirements shall be controlling in all respects.

Section 14.4. HUD Regulations. Notwithstanding anything in this Indenture to the contrary, the Issuer, its designee or any person shall not and cannot acquire or succeed to the general partner's interest in Borrower or exercise the general partner's rights or powers as the sole general partner of the Borrower unless and until the Issuer, its designee or any Person first complies with all HUD requirements pertaining to transfers of physical assets and has received HUD's written approval. Prior to HUD's determination that the requirements pertaining to a transfer of physical assets have been satisfied, neither the Issuer, its designee nor any Person will assert any claim against the HUD Project (HUD Project No. 071-35838) or interest in the Borrower by reasons of the provisions of this Indenture and/or the Financing Agreement. Except as otherwise set forth herein or in the Financing Agreement, any claims asserted against the HUD Project shall not be a personal liability of the Borrower but shall instead be a limited obligation payable solely from the Borrower's interest in and Surplus Cash revenues derived from the Project Facilities (as defined in the Agreement) and from the payments made by the Bank to the Trustee on behalf of the Borrower under the Letter of Credit.

Section 14.5. Enforcement Not to Affect Mortgage Loan or GNMA Security. Notwithstanding any provision in this Agreement to the contrary, enforcement of this Indenture and the Financing Agreement will not result in any claim under the Mortgage Loan, or claim against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the Mortgagee or another Person required by HUD in connection with the Mortgage Loan, or against the rents or other income from the Project (other than available "Surplus Cash," as defined in the HUD Regulatory Agreement) for payment hereunder.

Section 14.6. Notices. Unless otherwise specifically provided herein, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when the same are (a) deposited in the United States mail and sent by first class mail, postage prepaid, or (b) delivered, in each case, to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the City:

City of Chicago
Dept. of Housing and Economic Development
City Hall - Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Commissioner
Phone: (312) 744-946

With copies to:

City of Chicago
Office of the Corporation Counsel
City Hall - Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development
Division
Phone: (312) 744-1574

and to:

City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Phone: (312) 744-7106

If to the Borrower:

Community Housing Partners XV L.P.
c/o Chicago Community Development Corporation
36 South Wabash Avenue
Suite 1310
Chicago, Illinois 60603
Attention: Anthony J. Fusco, Jr.
Phone: (312)-422-0708
Fax: (312)-422-0708

With a copy to:

Sugar, Felsenthal, Grais & Hammer LLP
30 North LaSalle Street
Suite 3000
Chicago, Illinois 60602
Attention: Douglas Antonio
Phone: 312-704-2189
Fax: 312-372-7951

and

Miner, Barnhill & Galland, P.C.
14 West Erie Street
Chicago, Illinois 60654
Attention: William Miceli
Phone: 312-751-1170
Fax: 312-751-0438

and

Enterprise Community Investment, Inc.
10227 Wincopin Circle
Suite 800
Columbia, Maryland 21044
Attention: General Counsel
Phone: 410-964-0552
Fax: 410-772-2630

If to the Trustee:	Seaway Bank and Trust Company 645 East 87 th Street Suite 500 Chicago, Illinois 60619 Attention: Lois Jenkins Phone: 773-602-4156 Fax: 773-846-4246
If to the Bank:	BMO Harris Bank N.A. c/o Bank of Montreal Trade Finance Services Department, 3 rd Floor International Operations Services 234 Simcoe Street Toronto, Ontario, Canada M5T 1T4 Attention: Manager, U.S. L/C Processing Unit Phone: (877) 801-7787 Fax: (877) 801-0414 BMO Harris Bank N.A. 111 West Monroe Street, 2 nd Floor East Chicago, Illinois 60603 Attention: Katherine B. Mazzocco Phone: (312) 461-2797 Fax: (312) 765-8348
With a copy to:	Albert Whitehead, P.C. 10 North Dearborn, Suite 600 Chicago, Illinois 60602 Attention: Gregory C. Whitehead Phone: (312) 357-6300 Fax: (312) 357-6320
If to Moody's:	Moody's Investors Service, Inc. 7 World Trade Center 250 Greenwich Street New York, New York 10007 Phone: 212-553-0300 Fax: 212-553-4791 Attention: Public Finance Housing

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Borrower to the other shall also be given to the Trustee and the Bank.

Section 14.7. Payments Due on Non-Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of the principal, premium, if any, or interest need not be made on such date, but may be made on the immediately following Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 14.8. Action by Borrower. Wherever it is herein or in the Agreement provided or permitted for any action to be taken by the Borrower, such action may be taken by an Authorized Borrower Representative as defined in the Agreement, unless the context clearly indicates otherwise.

Section 14.9. 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 14.10. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State; provided that the rights, duties and immunities and standard of care of the Trustee and the Bond Registrar shall be governed by and construed in accordance with the laws of the state in which their respective principal corporate trust offices are located.

Section 14.11. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 14.12. References to Bank and Letter of Credit. At any time while the Letter of Credit is not in effect and all amounts payable under the Reimbursement Agreement have been paid, all references herein to the Bank and the Letter of Credit shall be ineffective.

Section 14.13. Provisions for Payment of Expenses. The City shall not be obligated to execute any documents or take any other action under or pursuant to this Indenture, the Agreement or any other document in connection with the Bonds unless and until provision for the payment of expenses of the City shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the City for the provision of expenses being agreed upon by the City and the party requesting such execution.

Section 14.14. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 14.15. Third Party Beneficiary. The Trustee and the City acknowledge that so long as the Letter of Credit is in effect or any amount remains payable under the Reimbursement Agreement, the Bank shall be an express third party beneficiary of the provisions of this Indenture, with the power to enforce the same.

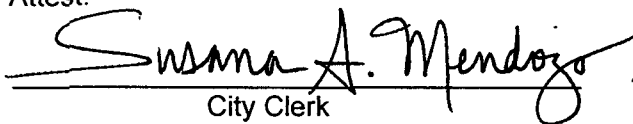
IN WITNESS WHEREOF, the City of Chicago and Seaway Bank and Trust Company have caused this Trust Indenture to be executed in their respective names and attested by their duly authorized officers, all as of the day first above written.

CITY OF CHICAGO

By 
Chief Financial Officer

(SEAL)

Attest:


City Clerk

SEAWAY BANK AND TRUST COMPANY, as Trustee,
Paying Agent and Bond Registrar

By _____

IN WITNESS WHEREOF, the City of Chicago and Seaway Bank and Trust Company have caused this Trust Indenture to be executed in their respective names and attested by their duly authorized officers, all as of the day first above written.

CITY OF CHICAGO

By _____
Chief Financial Officer

(SEAL)

Attest:

City Clerk

SEAWAY BANK AND TRUST COMPANY, as Trustee,
Paying Agent and Bond Registrar

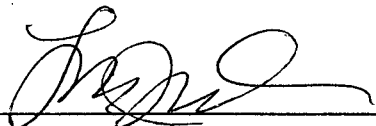
By  _____
VICE PRESIDENT

EXHIBIT A
(FORM OF REQUISITION CERTIFICATE)

Requisition No. _____
Date _____

REQUISITION CERTIFICATE

TO: SEAWAY BANK AND TRUST COMPANY AS TRUSTEE UNDER THE SERIES 2012B TRUST INDENTURE DATED AS OF MARCH 1, 2012, FROM CITY OF CHICAGO TO THE TRUSTEE, AND SERIES 2012B LOAN AGREEMENT DATED AS OF MARCH 1, 2012, BETWEEN THE CITY AND THE BORROWER.

The undersigned hereby requests that the following amounts be paid to the following payees for the following Costs of the Project as defined in the above-mentioned Loan Agreement:

Amount	Payee and Address	Description
--------	-------------------	-------------

I hereby state and certify that: (i) the amounts requested are or were necessary and appropriate in connection with the acquisition, construction, rehabilitation and equipping of the Project, have been properly incurred and are a proper charge against the Acquisition and Construction Fund, and have been paid, or are justly due to the persons whose names and addresses are stated above, and have not been the basis of any previous requisition from the Acquisition and Construction Fund, and that such amounts are costs which can be capitalized for federal income tax purposes to the extent required by Section 142 of the Internal Revenue Code of 1986, as amended, (ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, purchase, construction and installation of said buildings and improvements which, if unpaid, might become the basis of a vendors, mechanics, laborers, materialmens, statutory or similar lien upon the Project or any part thereof; (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Acquisition and Construction Fund in any previous or pending application for payment made pursuant to the Loan Agreement; (iv) payment of this Requisition will not breach any limitation on disbursements contained in the Project Certificate of the Borrower dated the Closing Date related to the Bonds; (v) the amount remaining in the Acquisition and Construction Fund after payment of the amount(s) requested in this Requisition, the reasonable estimate of investment income thereon, plus funds of the Borrower available for such purpose will, after payment of the amount(s) requested hereby, be sufficient to pay the cost of completing the Project; and (vi) the amount(s) requested hereby are "Costs" permitted by the Agreement and the Indenture.

COMMUNITY HOUSING PARTNERS XV L.P., an Illinois
limited partnership

By: _____
Chicago Community Development
Corporation, an Illinois corporation and its
general partner

By: _____
Anthony J. Fusco, Jr.
Its: President

Approved:

BMO Harris Bank N.A.

By _____
Title _____