



Office of the City Clerk



F2013-15

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	2/13/2013
Sponsor(s):	Mendoza, Susana A. (Clerk)
Type:	Communication
Title:	Notification of Sale of Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013
Committee(s) Assignment:	



JANUARY 30, 2013

DEPARTMENT OF FINANCE
CITY OF CHICAGO

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

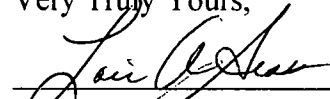
RE: Multi-Family Housing Revenue Bonds in the amount not to exceed \$18,000,000 in aggregate principal amount, Series 2013 (Goldblatts Supportive Living Project) (the "Bonds")

Dear Ms. Mendoza:

Attached is the Notification of Sale which is required to be filed with your office pursuant to Section 11 of the ordinance authorizing the issuance of Multi-Family Housing Revenue Bonds by the City of Chicago in the amount not to exceed \$18,000,000 in aggregate principal amount, Series 2013 (Goldblatts Supportive Living Project) (the "Bonds"), which was passed by the City Council on June 8, 2011.

Please direct this filing to the City Council.

Very Truly Yours,


Lois A. Scott
Chief Financial Officer

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2013 JAN 31 AM 8:41
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NOTIFICATION OF SALE OF
\$18,000,000
CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BONDS
(GOLDBLATT'S SUPPORTIVE LIVING PROJECT), SERIES 2013

BEING ISSUED BY THE CITY OF CHICAGO
AND DESIGNATING THE INTEREST RATES FOR SUCH BONDS

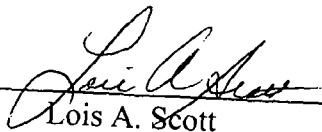
To: THE CITY COUNCIL OF THE CITY OF CHICAGO

Please be advised that responsive to authority contained in the ordinance adopted by the City Council (the "**City Council**") of the City of Chicago (the "**City**") on June 8, 2011 (the "**Ordinance**"), providing for the issuance of not to exceed \$18,000,000 in aggregate principal amount of its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013 (the "**Bonds**"), a Bond Purchase Agreement, dated January 23, 2013 (the "**Purchase Agreement**"), providing for the sale of the Bonds, was entered into by me as the Chief Financial Officer, with the concurrence of the Chairman on Finance of the City Council and William Blair & Company and Duncan-Williams, Inc., the underwriters for the Bonds (the "**Underwriters**"), at an aggregate price of \$17,640,000 for the Bonds (representing the aggregate principal amount of the Bonds, less Underwriters' discount in the amount of \$360,000). The Ordinance provided that the Bonds were to be issued in such principal amounts as would be established in this Notification of Sale. The Bonds mature, bear interest and are subject to redemption as set forth in *Appendix A*. The trustee under the Trust Indenture and with respect to the Bonds is Seaway Bank and Trust Company.

Attached hereto as *Appendix A* are details with respect to the Bonds. Also attached hereto as *Exhibit A* is an executed copy of the Trust Indenture, dated as of January 1, 2013.

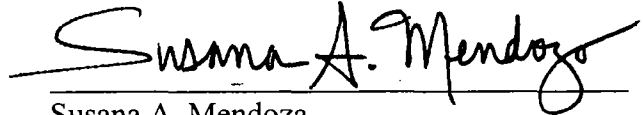
Respectfully submitted this 30th day of January, 2013.

CITY OF CHICAGO

By: 
Lois A. Scott
Chief Financial Officer

ACKNOWLEDGMENT OF FILING

The Notification of Sale of \$18,000,000 Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013 (including all exhibits to it), was filed in the office of the City Clerk of the City of Chicago, this 30th day of January, 2013.

A handwritten signature in black ink, reading "Susana A. Mendoza". The signature is written in a cursive style with a large, sweeping initial "S".

Susana A. Mendoza
City Clerk

[SEAL]

APPENDIX A

\$18,000,000

CITY OF CHICAGO

MULTI-FAMILY HOUSING REVENUE BONDS

(GOLDBLATTS SUPPORTIVE LIVING PROJECT), SERIES 2013 (THE "BONDS")

The Bonds are dated January 30, 2013, and (subject to prior redemption as provided in the Indenture) are due on the following dates in the following principal amounts and shall bear interest at the interest rates per annum set forth below:

Maturity Date	Principal Amount	Interest Rate
December 1, 2043	\$9,000,000	6.125%
December 1, 2052	\$9,000,000	6.375%

EXHIBIT A

Indenture

[SEE ATTACHED]

TRUST INDENTURE

from

CITY OF CHICAGO

to

SEAWAY BANK AND TRUST COMPANY,
as Trustee

Relating to:

\$18,000,000
City of Chicago
Multi-Family Housing Revenue Bonds
(Goldblatts Supportive Living Project), Series 2013

Dated as of January 1, 2013

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EXHIBIT A Form of Bond

TRUST INDENTURE

This TRUST INDENTURE, dated as of January 1, 2013, is from the CITY OF CHICAGO, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "**Constitution**"), and a home rule unit of government under Section 6(a) of Article VII of the Constitution (the "**Issuer**"), to SEAWAY BANK AND TRUST COMPANY, a banking corporation having its principal corporate trust office in Chicago, Illinois, as trustee (the "**Trustee**").

WITNESSETH:

WHEREAS, the Issuer is authorized under the Constitution of the State of Illinois (the "**State**"), to exercise any power and perform any function pertaining to its governmental affairs, including the power to issue bonds and lend the proceeds of the sale thereof to finance the acquisition, rehabilitation and equipping of a low-income housing development project located within the boundaries of the Issuer; and

WHEREAS, the Issuer has agreed to issue its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013, in the aggregate principal amount of \$18,000,000 (the "**Bonds**") pursuant to this Indenture and to loan the proceeds to Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "**Borrower**"), pursuant to a Loan Agreement (the "**Loan Agreement**") of even date herewith in order to finance or reimburse the Borrower for (i) certain permitted costs in connection with the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property improved with a building (the "**Building**") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, within the boundaries of the Issuer, (ii) capitalized interest, if required, (iii) a deposit into a debt service reserve fund for the Bonds, if required, and (iv) the costs of issuance relating thereto (the "**Project**"); and

WHEREAS, all Bonds issued under this Indenture will be secured by a pledge and assignment of certain rights of the Issuer under the Loan Agreement; and

WHEREAS, the Bonds shall be payable solely from the revenues received by the Issuer from the repayment of the loan of the proceeds of the Bonds to the Borrower (the "**Loan**") and from other revenues derived from the Loan and the Bonds; and

WHEREAS, the Trustee has trust powers and the power and authority to enter into this Indenture, to accept trusts generally and to accept and execute the trust created by this Indenture, and the Trustee has accepted the trust so created and, to evidence such acceptance, has joined in the execution of this Indenture; and

WHEREAS, the execution and delivery of this Indenture has been duly authorized by the Issuer and all conditions, acts and things necessary and required by the Constitution or statutes of the State or otherwise, to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Indenture, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture as a valid assignment and pledge of the amounts pledged to the payment of the principal of, redemption premium, if any, and interest on the Bonds, and to constitute this Indenture a valid assignment of certain of the rights of the Issuer under the Loan Agreement, have been done and performed; and the creation, execution and issuance of the Bonds, subject to the terms thereof, have in all respects been duly authorized.

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts created by this Indenture and the purchase and acceptance of the Bonds by the owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, in order to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, pledges and assigns, and grants a security interest in, the following to Seaway Bank and Trust Company, as Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

GRANTING CLAUSE FIRST

All right, title and interest of the Issuer in and to any monies held under this Indenture by the Trustee, including the proceeds of the Bonds and the interest, profits and other income derived from the investment thereof;

GRANTING CLAUSE SECOND

All right, title and interest of the Issuer in and to the Loan Agreement and the Note (save and except for the Unassigned Rights) and all funds, monies, property, security and any and all other rights and interests in property whether tangible or intangible by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for security of the Note; and

GRANTING CLAUSE THIRD

All Revenues, funds, monies, property, security and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds (except as otherwise provided herein);

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, redemption premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under Article II and Article III of this Indenture, or shall provide, as permitted by this Indenture, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid all sums of money due or to become due in accordance with the terms and provisions hereof, then upon the final payment thereof, this Indenture and the rights granted by this Indenture shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the payments due pursuant to the Loan Agreement and other amounts assigned and pledged by this Indenture are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with the respective owners of the Bonds as follows:

Article I

DEFINITIONS

In addition to the words and terms defined elsewhere herein, the following words and phrases as used in this Indenture shall have the following meanings unless the context or use indicates another or different meaning and intent:

"Acquisition Fund" means the Acquisition and Rehabilitation Fund established and created by Section 5.4 of this Indenture.

"Act of Bankruptcy" means the filing of a voluntary or involuntary petition under the Bankruptcy Code or the other commencement of bankruptcy or similar proceedings by or against the Issuer or the Borrower and/or a member of the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect, unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal.

"Additional Bonds" means the issuance of additional bonds pursuant to Section 12.1 of this Indenture.

"Assignment" means the Absolute Assignment of Leases and Rents, dated even date herewith, from the Borrower to the Trustee, given to secure the payment of the Note.

"Authorized Borrower Representative" means such person or persons duly designated by the Borrower to act on behalf of the Borrower in a writing delivered to the Trustee.

"Authorized Denominations" means \$100,000 principal amount or any integral multiple of \$5,000 in excess thereof.

"Authorized Officer of the Issuer" means the Chief Financial Officer of the Issuer or the Chief Comptroller of the Issuer.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Bond" or **"Bonds"** means the Issuer's \$18,000,000 Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013, authorized to be issued by Article II hereof and outstanding hereunder.

"Bond Counsel" means the firm of Schiff Hardin LLP, or any designated firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Issuer.

"Bond Documents" mean collectively, the Issuer Documents and the Borrower Documents.

"Bond Fund" means the Bond Fund established and created by Section 5.2 of this Indenture.

"Bond Proceeds Account" means the Bond Proceeds Account established in the Acquisition Fund by Section 5.4 of this Indenture.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of January 23, 2013, by and among the Issuer, the Borrower and the Underwriter, pursuant to which the Bonds will be offered for sale to the public or to a limited group of one or more institutional investors.

"Bond Registrar" means the Trustee or any successor or successors to such position under this Indenture.

"Bond Resolution" means the ordinance adopted by the Issuer on June 8, 2011, authorizing and approving the issuance and sale of the Bonds and authorizing and approving the execution and delivery of the Indenture, the Loan Agreement, the Regulatory Agreement, the Bond Purchase Agreement and certain other documents, making certain appointments and determining certain details with respect to the Bonds.

"Bond Service Charges" means during any period of time, principal of and interest and any redemption premium due on the Bonds for that period or payable at that time, as the case may be.

"Bond Year" means, during the period while any of the Bonds are outstanding, the annual period commencing on December 2 in any year and ending on the next succeeding December 1; *provided* that the first Bond Year shall be a short year commencing on the Issuance Date and ending on December 1, 2013 unless another date is selected by the Borrower.

"Bondholder" or **"Holder"** or **"Owner of the Bonds"** or **"Registered Owner"** means the registered owner of any Bond.

"Borrower" means Goldblatts of Chicago Limited Partnership, an Illinois limited partnership and the general partner of which is Goldblatts SLF of Chicago GP, Inc.

"Borrower Account" means the Borrower Account in the Project Fund created and established pursuant to Section 5.1 of this Indenture.

"Borrower Documents" (1) when used with respect to the Borrower, means all documents and agreements executed and delivered by the Borrower as security for or in connection with the issuance of the Bonds including, but not limited to the Loan Agreement, the Note, the Mortgage, the Security Agreement, the Assignment, the Bond Purchase Agreement, the Regulatory Agreement, the Tax Agreement and the SLF Agreement, and (2) when used with respect to the Issuer, means any of the foregoing documents and agreements to which the Issuer is a direct party. The Borrower Documents do not include any documents or agreements to which the Borrower is not a direct party, including the Bonds or this Indenture.

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in the State or the State of New York, or in the city in which the Principal Office (as defined herein) of the Trustee is located, are required or authorized by law or executive order to remain closed.

"Capitalized Interest Account" means the Capitalized Interest Account established in the Bond Fund by Section 5.2 of this Indenture.

"Code" means, as applicable, the Internal Revenue Code of 1986, as amended from time to time, and with respect to a specific section of such Code, such reference shall be deemed to include the regulations promulgated under such section.

"Completion Bonds" means those bonds issued in connection with the completion of the Project as set forth in Section 12.1 of this Indenture.

"Constitution" means the 1970 Constitution of the State.

"Costs of Issuance" means (a) the fees, costs and expenses of (1) the Issuer, the Issuer's counsel and the Issuer's financial advisor, if any, (2) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds (other than original issue discount) incurred in the issuance and sale of the Bonds) and the Underwriter's counsel, (3) Bond Counsel, (4) the Trustee and the Trustee's counsel, and (5) the Borrower's counsel and

the Borrower's financial advisor, if any, (b) the costs of preparing the cash flow projections, (c) costs of printing the offering documents relating to the sale of the Bonds; and (d) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including, without limitation, printing costs, costs of reproducing documents and filing and recording fees. Costs of Issuance include, but are not limited to:

- (a) Underwriters' discount and fees;
- (b) financial advisor fees;
- (c) counsel fees, including bond counsel, Borrower's counsel, as well as any other specialized counsel fees;
- (d) rating agency fees;
- (e) trustee fees and trustee counsel fees;
- (f) paying agent and certifying and authenticating agent fees related to issuance of the Bonds;
- (g) accountant fees;
- (h) printing costs of the Bonds and of the preliminary and final placement memorandum or other disclosure document;
- (i) costs of engineering and feasibility studies necessary to the issuance of the Bonds;
- (j) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and
- (k) Issuer fees incurred in connection with the issuance of the Bonds.

"Cost of Issuance Fund" means the Cost of Issuance Fund established and created by Section 5.3 of this Indenture.

"Debt Service Coverage Ratio" shall have the meaning set forth in the Loan Agreement.

"Debt Service Reserve Fund" means that Debt Service Reserve Fund established and created by Section 5.1 of this Indenture.

"Debt Service Reserve Fund Requirement" means on the Issuance Date the amount of \$1,347,387.50 or subsequently an amount that does not exceed the lesser of (i) the maximum annual debt service on the Bonds, (ii) 125% of the average annual debt service; or (iii) 1.0% of the proceeds from the sale of the Bonds.

"Department" means the Illinois Department of Health and Family Services.

"Depository" means any bank, trust company, savings and loan association or other financial institution selected by the Trustee as a depository of monies and securities held under the provisions of this Indenture, and may include the Trustee.

"Determination of Taxability" means either (a) the entry by a court of a judgment or order or the promulgation by the Internal Revenue Service of a ruling or decision, in either such case to the effect that the interest on the Bonds (other than interest on any Bond for any period during which such Bonds are held by a "substantial user" of any facility financed with the proceeds of the Bonds or a "related person," as such terms are used in Section 147(a) of the Code) is includable for federal income tax purposes in the gross income of all recipients thereof subject to federal income taxes or (b) receipt by the Trustee and the Borrower of a certificate of the Issuer stating that a violation of the Tax Agreement has occurred (specifying the same) and is continuing, that not less than 60 days has elapsed since written notice has been given to the Borrower specifying such violation and demanding that it be cured, and that such violation has not been cured, accompanied by an opinion of Bond Counsel to the effect that, under the circumstances described in such certificate, it is inevitable that interest on the Bonds (other than interest on any Bond for any period during which such Bonds are held by a "substantial user" of any facility financed with the proceeds of the Bonds or a "related person," as such terms are used in Section 147(a) of the Code) will become subject to federal income taxation. For purposes of this definition, a judgment or order of a court or a ruling or decision of the Internal Revenue Service described above shall be considered a Determination of Taxability regardless of whether such judgment, order, ruling or decision is final or whether any appeal or other action for judicial or administrative review is available.

"DTC" means The Depository Trust Company.

"DTC Participant" means those broker-dealers, banks and other financial institutions reflected on the books of DTC.

"Equity Account" means Equity Account established in the Acquisition and Rehabilitation Fund by Section 5.4 of this Indenture.

"Equity Investor" means Celadon Goldblatts, LLC, its successors, affiliates and assigns.

"Event of Default" means any occurrence or event specified and defined in, or pursuant to, Section 8.1 of this Indenture.

"Federal Obligations" means (i) any direct and general obligations of, or any obligations guaranteed by, the United States of America, including but not limited to interest obligations of the Resolution Funding Corporation or any successor thereto, (ii) any obligations of any state or political subdivision of a state (collectively, "**Municipal Bonds**"), which Municipal Bonds are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Municipal Bonds, and (iii) certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System.

"Fiduciary" means the Trustee and any Paying Agent for the Bonds.

"Fixed Assets" means those fixed assets of the Borrower as set forth in Section 12.5 of this Indenture.

"Fixed Rate" means the respective fixed interest rates per annum applicable until the maturity or earlier redemption of the Bonds as provided in Section 2.3 of this Indenture.

The terms **"herein," "hereunder," "hereby," "hereto," "hereof"** and any similar terms refer to this Indenture; the term **"heretofore"** means before the date of execution of this Indenture; and the term **"hereafter"** means after the date of execution of this Indenture.

"Indenture" means this Trust Indenture, and any amendments hereof and supplements hereto.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of the State who is not a full-time employee of the Issuer, the Borrower, or the Trustee.

"Initial Lease Up Reserve Deposit" means \$521,880.

"Initial Lease Up Reserve Fund" means the Initial Lease Up Reserve Fund established and created by Section 5.1 of this Indenture.

"Insurance/Tax Account" means the account established in the Project Fund under Section 5.7 of this Indenture.

"Interest Payment Date" means each June 1 and December 1, commencing with the first such June 1 occurring after the Issuance Date.

"Interested Beneficial Holder" shall mean the original institutional purchasers of the Bonds from the Underwriter and any subsequent beneficial owners owning \$1,000,000 or more in aggregate principal amount of the Bonds who have given written notice to the Trustee that they are an Interested Beneficial Holder, and have provided the Trustee with their address for notice purposes.

"Investment Agreement" means any Investment Agreement that may be entered into for the investment of moneys on deposit in the Acquisition Fund, the Bond Fund, the Debt Service Reserve Fund or the Project Fund between the Trustee and a provider providing for the investment of moneys; provided that any Investment Agreement shall be approved by 66-2/3% of all Bonds held by Interested Beneficial Holders.

"Investment Obligations" or **"Permitted Investments"** means any of the following which at the time are legal investments for the Issuer under applicable State laws and which are not prohibited investments under the Code, for the monies held hereunder then proposed to be invested therein:

- (a) Federal Obligations;

(b) Obligations of, or obligations guaranteed as to principal and interest by, agencies or instrumentalities of the United States of America which are backed by the full faith and credit of the United States of America or interests in money market or mutual funds comprised solely of such obligations;

(c) Federal Funds, certificates of deposit, time deposits and bankers' acceptances (in each case having maturities of not more than 365 days) of any bank the debt obligations of which (or, in the case of the principal bank in a bank holding company, debt obligations of the bank holding company) have been rated at the time of purchase A-1+ by Standard & Poor's Corporation or MIG-1 or VMIG-1 by Moody's Investors Service, Inc.;

(d) Deposits or money market accounts which are fully insured by the Federal Deposit Insurance Corporation ("FDIC") or a fund administered by the FDIC;

(e) Investments in money market funds which are rated at the time of purchase AAAM or AAAM-G; which may be money market funds administered by the Trustee;

(f) The Investment Agreement;

(g) Interest-bearing time deposits, repurchase agreements, rate guarantee agreements or similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50,000,000 or with a government bond dealer reporting to, trading with or recognized as a primary dealer by, the Federal Reserve Bank of New York having capital aggregating at least \$50,000,000 or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Act of 1956 and whose unsecured or uncollateralized long-term debt obligations are assigned a rating by Standard & Poor's or Moody's of "AA-/A3" or better for agreements of more than three years, and "AA-1/A-1+" or better for agreements of more than one year but less than three years or whose unsecured and uncollateralized short-term debt obligations are assigned a rating by Standard & Poor's or Moody's of "A-1+" or better for agreements of one year or less, provided that each interest-bearing deposit, repurchase agreement, guarantee agreement or other similar banking arrangement shall permit moneys so placed to be available for use of the time provided with respect to investment or reinvestment of such moneys;

(h) Any other investments permitted by the Illinois Statutes, provided that the Trustee may rely conclusively on the Borrower's determination that an investment is permitted by this clause (h).

"Issuance Date" means January 30, 2013, the date of the initial issuance and delivery of the Bonds.

"Issuer" means the City of Chicago, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the Constitution and a home rule unit of government under Section 6(a) of Article VII of the Constitution.

"Issuer Documents" shall have the meaning set forth in the Loan Agreement.

"Loan" means the loan to the Borrower pursuant to the Loan Agreement.

"Loan Agreement" means the Loan Agreement dated as of the date of this Indenture with respect to the Bonds by and between the Issuer and the Borrower, as amended in accordance with the terms hereof and thereof.

"MRCFF Requirement" means on the date that the initial deposit is required to be deposited into the Medicaid Receivables Cash Flow Fund, \$1,965,615 and on and after the 20th day of the month after the month in which such initial deposit is made, \$1,626,554.

"Maturity Date" means, the dates specified in Section 2.3 of this Indenture as the maturity dates of the Bonds or any earlier redemption date.

"Medicaid Receivables Cash Flow Fund or MRCFF" means the Medicaid Receivables Cash Flow Fund established and created under Section 5.6 of this Indenture.

"Mortgage" means the Mortgage, Security Agreement and Fixture Financing Statement, executed by the Borrower in favor of the Trustee, encumbering the Borrower's fee interest in the Project Site under the Project and securing its obligations under the Note.

"Note" means the promissory note of the Borrower dated as of the date of this Indenture evidencing and securing its obligations under the Loan Agreement in the form attached to the Loan Agreement as **Exhibit B**.

"Notice by Mail" or **"notice"** of any action or condition "by Mail" (except as otherwise expressly provided herein) shall mean a written notice meeting the requirements of this Indenture mailed by first-class mail to the registered Owners at the addresses shown in the registration books maintained pursuant to this Indenture; *provided, however*, that if, because of temporary or permanent suspension of mail service, it is impossible or impracticable to mail notices in the manner herein described, then such notification in lieu thereof as shall be made with the approval of the Trustee (or, if there be no trustee hereunder, the Issuer) shall constitute a sufficient giving of such notice.

"Operating Expense Account" shall mean the Operating Expense Account in the Project Fund created and established pursuant to Section 5.7 of this Indenture.

"Operating Expenses" shall mean customary operating expenses of the Project for the relevant period on a cash basis, including, without limitation, amounts required to be deposited pursuant to subsections (ii), (v), (vi) and (vii) of Section 5.7(b) of this Indenture (but excluding for purposes of this definition the amounts required to be deposited pursuant to subsections (iv) and (viii) of Section 5.7(b)) for such period.

"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 in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment of which cash or Federal Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or

redemption date of any such Bonds) and which are deemed paid within the meaning of Article VII hereof; and

(c) Bonds in lieu of which others have authenticated under Sections 2.9, 2.10 or 2.11 hereof.

"Outstanding Medicaid Receivables" means for any date the amount based on application of generally accepted accounting principles, of accrued accounts receivable due to the Borrower for Medicaid services provided under the SLF Agreement through the last day of the preceding month. Section 2.5(b)(iii) of the Loan Agreement requires the Borrower to provide the Trustee a monthly statement of Outstanding Medicaid Receivables.

"Paying Agent" means those institutions designated as such in or pursuant to Section 13.13 hereof.

"Principal Amount" means Eighteen Million Dollars (\$18,000,000).

"Principal Office" means the principal corporate trust, or head or principal trust, office of the Trustee or Paying Agent.

"Project" means the project described in the Loan Agreement.

"Project Fund" means the Project Fund established and created pursuant to Section 5.7 of this Indenture, consisting of the Rebate Account, the Revenues Account, the Trustee/Issuer Expense Account, the Insurance/Tax Account, the Replacement Reserve Account, the Operating Expense Account and the Borrower Account.

"Project Site" means as provided in the Loan Agreement.

"Rebate Account" means the Rebate Account in the Project Fund created and established pursuant to Section 5.7 of this Indenture.

"Record Date" or **"Regular Record Date"** means with respect to any Interest Payment Date the fifteenth day of the month which precedes the next succeeding Interest Payment Date, or if such date is not a Business Day, then the next Business Day.

"Redemption Price" shall have the meaning specified in Article III of this Indenture.

"Refunding Bonds" shall have the meaning specified in Section 12.1 of this Indenture.

"Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants described in the Loan Agreement.

"Replacement Reserve Account" means the Replacement Reserve Account in the Project Fund established and created pursuant to Section 5.7 of this Indenture and by Section 3.4 of the Loan Agreement.

"Representation Letter" shall mean the Blanket Issuer Letter of Representations by and between the Issuer and DTC.

"Revenues" means all gross income, interest income (including interest income received by the Trustee and deposited into the Revenues Account pursuant to Section 6.5 of this Indenture) and revenue received by the Borrower from the ownership or operation of the Project including, but not limited to, all residential and commercial rents, income and SLF Payments from the Project (except deposits held as security) received in connection with leases or occupancy or services or otherwise received from or in regard to tenants of the Project, and any additional money deposited by the Borrower into the Project Fund from time to time.

"Revenues Account" means the account established under the Project Fund pursuant to Section 5.7 of this Indenture.

"Security Agreement" means the Assignment of Contract Rights and Interest in Licenses, Permits and Agreements, dated even date herewith, between the Borrower and the Trustee.

"Service Provider" means, initially, Goldblatts Ashland SP, LLC, and any successor or assigns acting as service provider with respect to the Project.

"SLF Agreement" means the Long Term Care Provider Agreement to be entered into between the Borrower and the Department upon completion and final approval of the Project.

"SLF Payments" means payments made to the Borrower by the Department pursuant to the SLF Agreement.

"Special Record Date" means the date and time established by the Trustee for determination of which Registered Owners shall be entitled to receive overdue interest on the Bonds pursuant to Section 2.4(b)(iii) hereof.

"State" means the State of Illinois.

"Supplemental Indenture" and **"Supplemental Loan Agreement"** shall mean those documents executed in connection with the issuance of Additional Bonds pursuant to Sections 12.3 and 12.5, respectively, of this Indenture.

"Tax Agreement" means the Tax Agreement executed by the Borrower, the Issuer and the Trustee in connection with the issuance of the Bonds and dated as of the date of issuance of the Bonds, and any exhibits, schedules, amendments and supplements to the foregoing.

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

"Trustee" means Seaway Bank and Trust Company and any qualified entity at the time serving as successor trustee hereunder.

"Trustee/Issuer Expense Account" means the account established under the Project Fund pursuant to Section 5.7 of this Indenture.

"Unassigned Rights" means the Issuer's right to receive payment of certain fees and expenses under Section 4.2(b) of the Loan Agreement, its right to indemnification as provided under Section 6.6 of the Loan Agreement, and the rights of the Issuer to receive notices, certificates, requests, requisitions, directions and other communications as provided under Section 8.1 of the Loan Agreement.

"Unconditional Guaranty" means the Guaranty Agreement by Goldblatts SLF of Chicago GP, Inc., Goldblatts Ashland Development, LLC and Thomas Fencil for the benefit of Celadon Goldblatts, LLC.

"Underwriter" means William Blair & Company and Duncan-Williams, Inc.

Article II

THE BONDS

Section 2.1 Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. The total principal amount of Bonds other than Additional Bonds that may be issued is expressly limited to \$18,000,000.

Section 2.2 Issuance of Bonds. The Bonds shall be designated City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013. The Maturity Date of the Bonds shall be as set forth in Section 2.3 below.

Each Bond shall be dated as of the date of authentication, shall be subject to prior redemption, shall be issued as fully registered bonds without coupons in Authorized Denominations, and shall be numbered consecutively from R-1 upward.

Each Bond shall bear interest as provided in Section 2.4(b) of this Indenture. If interest on the Bonds shall be in default, Additional Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the last date to which interest has been paid in full.

The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, redemption premium, if any, and interest shall be payable at the Principal Office of the Paying Agent.

Section 2.3 Interest Rate on Bonds. The Bonds shall be issued on the Issuance Date shall bear interest until paid from the most recent date to which interest has been duly paid or provided for. The Bonds shall bear interest, until paid, at the respective rates per annum set forth below (with respect to such Bonds, the "Fixed Rate"). Interest on the Bonds shall be computed on the basis of a 360-day year, consisting of twelve 30-day months. It shall

be the duty of the Trustee to calculate the amount of interest payable for any period on the Bonds and due and owing to each Holder.

The Bonds shall mature (subject to prior redemption as provided in Section 3.1) on the following dates in the following principal amounts and shall bear interest at the interest rates per annum set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2043	\$9,000,000	6.125%
December 1, 2052	\$9,000,000	6.375%

Section 2.4 Manner of Paying for Bonds.

(a) The principal or redemption price of each Bond shall be payable upon surrender of such Bond at the Principal Office of the Trustee. Payments of principal or redemption price of the Bonds shall be payable in immediately available funds in the city where the Principal Office of the Trustee is located. Such payments shall be made to the Registered Owner of the Bond so surrendered, as shown on the registration books maintained by the Registrar on the date of payment. Any Holder of the Bonds in an aggregate principal amount of \$1,000,000 or more shall also have the right to have payment of the principal of and redemption premium on its Bonds to be made by wire transfer in accordance with, and by the procedures set forth in Section 2.4(b)(iv) of this Indenture; *provided* that such Holder shall still be required to present and surrender its Bonds as provided in the first sentence of this Section before any payment of principal or redemption premium (whether by wire transfer or otherwise) shall be made, except that such Holder shall not be required to present and surrender its Bonds in connection with a regular, scheduled sinking fund redemption that does not represent the final maturity of the Bonds.

(b) Subject to the further provisions of this Section 2.4, each Bond shall bear interest and be payable as to interest as follows:

(i) Each Bond shall bear interest at the Fixed Rate (A) from the date of authentication, if authenticated on the Issuance Date or an Interest Payment Date to which interest has been paid or provided for, or (B) from the last preceding Interest Payment Date to which interest has been paid or provided for (or the date of original issuance of the Bonds if no interest thereon has been paid) in all other cases.

(ii) Subject to the provisions of subparagraph (iii) below, the interest due on any Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the registration books kept by the Registrar on the Regular Record Date.

(iii) If the available funds 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 promptly 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 registered Owners

entitled to such payments. Notice of each date so established shall be mailed by the Trustee to each Registered Owner 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 Registered Owners, as shown on the registration books kept by the Bond Registrar as of the close of business on the Special Record Date.

(iv) All payments of interest on the Bonds shall be paid to the Registered Owners entitled thereto pursuant to Section 2.4(b)(ii) or (iii) above by the Trustee on the Interest Payment Date or special interest payment date, as applicable, by check or draft mailed by first class mail on the Interest Payment Date to the Registered Owners entitled thereto at such address appearing in the registration books of the Bond Registrar or at such other address as has been furnished to the Trustee in writing by such Registered Owners. The foregoing notwithstanding, if a Holder of Bonds in an aggregate principal amount of \$1,000,000 or more shall have given the Trustee notice of the wire transfer address in the continental United States of such Holder at least one day prior to a Record Date, then, for all Interest Payment Dates thereafter until such notice is revoked or modified in writing given to the Trustee, payment of the interest on the Bonds of that Holder shall be made by the Trustee by wire transfer to the wire transfer address set forth in such notice.

Section 2.5 Execution; Limited Obligation. The Bonds shall be in substantially the form attached as *Exhibit A*, with necessary and appropriate variations, omissions and insertions as are customary, permitted or required by this Indenture. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Mayor or the Chief Financial Officer of the Issuer, attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk of the Issuer, or the appropriately designated proxy of such persons, and shall have impressed or imprinted thereon the official seal of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the 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 of the Issuer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery, and 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.

The Bonds are limited obligations of the Issuer and the principal of, redemption premium, if any, and interest on the Bonds shall be payable solely from and secured by: (i) amounts paid by the Borrower under the Loan Agreement and the Note; (ii) an assignment to the Trustee of all the Issuer's rights (except for the Unassigned Rights); (iii) a pledge of and security interest in all moneys and investments held by the Trustee under the Indenture, including any moneys representing earnings on monies held under the Indenture; (iv) the Mortgage; (v) the Security Agreement; (vi) the Assignment; and (vii) the Note. The Bonds herein authorized and all payments to be made by the Issuer, however, are not general obligations of the Issuer, but are special, limited obligations. The full faith and credit of the Issuer are not pledged to their payment. No Bondholder has the right to compel any exercise of

the taxing powers of the Issuer to pay the principal of, premium, if any, or interest on the Bonds. None of the United States of America, the State, the Issuer, nor any other political subdivision or body corporate and politic, or agency, of the United States of America, the State of Illinois, or the Issuer (except to the limited extent provided herein) shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and neither this Bond nor any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of the United States of America, the State, the Issuer or any other political subdivision or body corporate and politic of the United States of America, the State or the Issuer (except to the limited extent provided herein), within the meaning of any constitutional or statutory provision whatsoever.

Section 2.6 Authentication. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless a certificate of authentication on such Bond, substantially in the form set forth in **Exhibit A**, shall have been duly executed by an authorized officer of the Trustee; and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been duly executed, registered, authenticated and delivered under this Indenture. It shall not be necessary that the same person sign the certificate of authentication on all of the Bonds.

Section 2.7 Delivery of Bonds. Prior to the release by the Trustee of the Bonds, there shall be filed with the Trustee:

(a) A request and authorization to the Trustee on behalf of the Issuer and signed by an Authorized Officer of the Issuer to authenticate and deliver such Bonds to the Underwriter upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization in the aggregate principal amount of the Bonds;

(b) An opinion of counsel to the Issuer to the effect that, in the opinion of such counsel, the Bond Purchase Agreement, the Loan Agreement, the Regulatory Agreement, the Bonds and this Indenture and other documents to which they are a party, have been duly authorized and lawfully executed and delivered on behalf of the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of the Issuer and enforceable against the Issuer in accordance with the respective terms thereof, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and to the extent that the availability of the remedies of specific performance and injunction may be subject to the discretion of the court;

(c) Original duly executed counterparts of the Loan Agreement, the Note, the Regulatory Agreement, this Indenture, the Mortgage, the Security Agreement, the Assignment and all other Borrower Documents;

(d) Original duly executed counterparts of the Issuer Documents;

(e) An opinion of counsel for the Borrower stating in the opinion of such counsel, subject to the exceptions set forth therein acceptable to counsel for the Underwriter and Bond Counsel, that the Bond Purchase Agreement, the Note, the

Regulatory Agreement and the Loan Agreement and any other documents to which the Borrower is a party, are valid and binding obligations of the Borrower enforceable against the Borrower in accordance with the respective terms thereof and that the Mortgage, Security Agreement and Assignment grant to Issuer a valid security interest in the Project, except as the enforcement thereof may be affected or limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting or limiting the rights of creditors generally, or general equitable principles, whether considered in a proceeding at law or in equity;

(f) An opinion of Bond Counsel substantially to the effect that the Bonds constitute legal, valid and binding special obligations of the Issuer, and that, assuming continuing compliance with the applicable provisions of the Code by the Borrower and the Issuer, the interest on the Bonds is not included in gross income for federal income tax purposes under existing law, except for interest on any Bond for a period during which such Bond is held by a "substantial user" of the Project or a "related person" as such terms are defined in Section 147(a) of the Code;

(g) Such other certificates, documents, instruments, and opinions relating to the issuance of the Bonds or the security therefor as the Issuer, the Underwriter or the Trustee may reasonably request.

(h) Evidence of insurance coverage required by the Loan Agreement.

(i) Proceeds of the Bonds (net of Underwriter's discount of \$360,000) in the amount of \$17,640,000.

When the documents required above shall have been filed with the Trustee and when such Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Bonds at one time to or upon the order of the Underwriter, but only upon payment to the Trustee of the purchase price of such Bonds. The Trustee shall be entitled to rely upon such documents without investigation as to all matters stated therein.

Section 2.8 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 denomination, interest rate, series, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond or in lieu of and in substitution for such lost, stolen or destroyed Bond, upon payment by the Owner thereof of any applicable tax or governmental charge and the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and in the case of a Bond lost, stolen or destroyed, the filing with the Trustee of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Issuer and the Trustee with indemnity satisfactory to each of them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Issuer may pay the same without surrender thereof.

Section 2.9 Registration and Exchange of Bonds Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee, which is constituted and appointed the Bond Registrar of the Issuer. Bonds shall not be registered to bearer. Upon surrender for transfer of any Bond at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly

authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond for a like aggregate principal amount.

Fully registered Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of fully registered Bonds of other Authorized Denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the Issuer of any fully registered Bond in an Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall be authorized to authenticate and deliver such registered Bond.

The Issuer or the Trustee shall not be required to issue, register, transfer or exchange any Bond during the period beginning with the Record Date and ending on the next Interest Payment Date, nor during the period beginning 15 days before the mailing of notice of redemption of Bonds and ending on the redemption date.

In each case the Trustee shall require the payment by the Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and any reasonable fee of the Trustee with respect to such exchange or transfer.

All Bonds paid and redeemed by the Trustee under the provisions of the Indenture, either at or before maturity, shall be canceled when such payment or redemption is made, and such Bonds, unless then held by the Trustee, shall be delivered to the Trustee. All canceled Bonds shall from time to time be cremated or otherwise destroyed by the Trustee.

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 denomination or denominations as shall be determined by the Issuer, in fully registered form, in substantially the form 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 Office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds, as the case may be, of an equal aggregate principal amount, of the same 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 on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon by the Trustee.

Section 2.11 Book-Entry Only System. 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 separate single fully registered Bond. Upon initial issuance, the ownership of such Bond shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Issuer 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. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the bond register in the name of Cede & Co., as nominee of DTC, the Issuer, 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 Issuer, 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 a Bondholder or Interested Beneficial Holder, as shown in the bond register, 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 a Bondholder, as shown in the register, of any amount with respect to principal of, redemption premium, if any, or interest on, the Bonds or (iv) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued pursuant to this section, the Issuer, the Borrower and the Trustee may treat DTC or any successor securities depository as, and deem DTC or any successor securities 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 registered 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 Only System. In the event that (a) the Issuer 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 Issuer 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 Issuer shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered on the bond register in the name of Cede & Co., as nominee of DTC. At that time, the Issuer 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 Issuer, or such depository's agent or designee, and if the Issuer does not select such an alternate securities depository system then the Bonds may be registered in whatever name or names registered 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, redemption 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.

Section 2.14 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 part of the contract of the Issuer with the Bondholders and shall be deemed to be a contract between the Issuer and the Bondholders from time to time.

Article III

REDEMPTION OF BONDS

Section 3.1 Redemption. The Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The Bonds shall be subject to optional redemption, in whole or in part, after the required notice of redemption is given, on or after the dates set forth below, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) as shown in the following table, plus accrued interest to the redemption date.

<u>Date</u>	<u>Price</u>
On or after December 1, 2019 through November 30, 2020	104%
On or after December 1, 2020 through November 30, 2021	103%
On or after December 1, 2021 through November 30, 2022	102%
On or after December 1, 2022 through November 30, 2023	101%
On or after December 1, 2023	100%

(b) **Mandatory Sinking Fund Redemption.**

(i) The Bonds maturing on December 1, 2043 are subject to mandatory sinking fund redemption on the Interest Payment Dates and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, and without redemption premium, subject to reduction, in inverse order of such principal amounts to the extent that Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption:

Payment Date	Principal Amount Redeemed
December 1, 2017	\$ 40,000

Payment Date	Principal Amount Redeemed
December 1, 2018	\$ 65,000
December 1, 2019	\$ 85,000
December 1, 2020	\$ 110,000
December 1, 2021	\$ 140,000
December 1, 2022	\$ 165,000
December 1, 2023	\$ 195,000
December 1, 2024	\$ 220,000
December 1, 2025	\$ 235,000
December 1, 2026	\$ 245,000
December 1, 2027	\$ 260,000
December 1, 2028	\$ 280,000
December 1, 2029	\$ 295,000
December 1, 2030	\$ 315,000
December 1, 2031	\$ 335,000
December 1, 2032	\$ 355,000
December 1, 2033	\$ 375,000
December 1, 2034	\$ 400,000
December 1, 2035	\$ 420,000
December 1, 2036	\$ 450,000
December 1, 2037	\$ 475,000
December 1, 2038	\$ 505,000
December 1, 2039	\$ 535,000
December 1, 2040	\$ 570,000
December 1, 2041	\$ 605,000
December 1, 2042	\$ 640,000
December 1, 2043*	\$ 685,000

*Final Maturity

(ii) The bond maturing on December 1, 2052 are subject to mandatory sinking fund redemption on the Interest Payment Dates and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, and without

redemption premium, subject to reduction, in inverse order of such principal amounts to the extent that Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption:

Payment Date	Principal Amount Redeemed
December 1, 2044	\$ 770,000
December 1, 2045	\$ 820,000
December 1, 2046	\$ 875,000
December 1, 2047	\$ 930,000
December 1, 2048	\$ 985,000
December 1, 2049	\$1,050,000
December 1, 2050	\$1,115,000
December 1, 2051	\$1,190,000
December 1, 2052*	\$1,265,000

*Final Maturity

(c) Mandatory Redemption Upon Determination of Taxability. The Bonds are subject to mandatory redemption in whole on the earliest date after the required notice of redemption can be given following a Determination of Taxability but not less than thirty-five days following the Trustee's receipt of notice of such occurrence at a redemption price equal to 103% of the principal amount of the Bonds so redeemed, plus accrued interest to the redemption date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall give prompt written notice of the occurrence of a Determination of Taxability to the Bondholders, the Issuer and the Borrower. All of the Bonds outstanding on the redemption date selected shall be redeemed on that date, except that Bonds subject to Mandatory Sinking Fund Redemption prior to that date, but after the selection thereof, shall be retired on that Mandatory Sinking Fund Redemption date at the same price as if they had been called for redemption on the redemption date. No other redemption premium shall be payable in the event of a Determination of Taxability.

(d) Extraordinary Mandatory Redemption. The Bonds shall be subject to redemption in whole and not in part prior to maturity, at a redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption, upon the receipt by the Trustee of a written certification of the Borrower fixing a redemption date (which date shall be at least 45 days but not more than 60 days after the date of the certification), and stating that one of the following events has occurred:

(i) any insurance proceeds received by the Trustee as a result of damage to the Project or defective title are applied to the prepayment of the Note;

(ii) condemnation and proceeds received by the Trustee are applied to the prepayment of the Note;

(iii) the Borrower becomes subject to the Bankruptcy Code and the trustee in bankruptcy causes or directs prepayment of the Mortgage;

(iv) upon an Event of Default under and as defined in the Loan Agreement and an acceleration of the Note; and

(v) amounts ear-marked for redemption of Bonds by the operation of Section 5.7(f) of this Indenture are available for that purpose.

(e) Mandatory Redemption to the Extent of Excess Moneys in the Acquisition Fund. The Bonds are subject to mandatory redemption, to the extent of excess moneys in the Bond Proceeds Account of the Acquisition Fund, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, in the maximum principal amount of Authorized Denominations permitted by the balance of moneys transferred to the Bond Fund as described in (ii) below and not otherwise necessary for the payment of principal of, redemption premium, if any, or interest on the Bonds within the next 12 months. Such redemption shall occur on the first date upon which proper notice of redemption can be given following (i) delivery by the Borrower of the certificate pursuant to Section 3.3(d) of the Loan Agreement and (ii) the transfer of excess moneys, if any, from the Bond Proceeds Account of the Acquisition Fund to the Bond Fund pursuant to Section 3.3(d) of the Loan Agreement.

Section 3.2 Selection of Bonds to Be Redeemed. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose in accordance with the provisions of this Indenture, *provided*, that there shall be no partial redemption of any Bond which would result in the unredeemed portion not being of an Authorized Denomination. If less than all the Bonds are called for redemption under any provision of this Indenture permitting such partial redemption, the particular Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with the procedures established by DTC or any other applicable book-entry depository), in the principal amount designated to the Trustee by the Borrower or otherwise as required by this Indenture; *provided, however*, that the portion of any Bond to be redeemed shall be in an Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such portion, the Registered Owner of such Bond upon surrender of such Bond to the Trustee for payment to such Registered Owner of the redemption price of the portion called for redemption shall be entitled to receive a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the Registered Owner, without charge. If the Registered Owner of any such Bond of a denomination greater than the principal amount to be redeemed shall fail to present such Bond to the Trustee 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 portion of the principal amount called for redemption (and to that extent only).

Section 3.3 Procedure for Redemption.

(a) If any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, by mailing a copy of such notice by certified mail or registered mail, postage prepaid not less than thirty (30) nor more than 60 days prior to the redemption date which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portion of the Bonds, so to be redeemed; (ii) state any condition to such redemption; and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest, provided that funds are available for such purpose on that date, and if funds are not available on such date, the redemption shall be deferred until funds are available. Notwithstanding the foregoing, if, because of temporary or permanent suspension of mail service, it is impossible or impractical to mail notices in the manner described above, then notice of redemption to the Bondholders in lieu thereof will be given as approved by the Trustee (or the Issuer if there is no Trustee at the time) and such notice shall be considered sufficient. Such notice may set forth any additional information relating to such redemption. Such notice by mail shall be given at least 30 days and not more than 60 days prior to the date fixed for redemption to the Holders of Bonds to be redeemed. No defect in any such notice shall in any manner defeat the effectiveness of the call for redemption.

(b) Any Bonds and portions of Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII of this Indenture shall cease to bear interest on the specified redemption date.

(c) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in the notice, and from and after such date (unless there is a default or deferral in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. A Registered Owner is required to present and surrender its Bonds before any payment of principal or redemption premium (whether by wire transfer or otherwise) is made, except that such Registered Owner shall not be required to present and surrender its Bonds in connection with a regular, scheduled sinking fund redemption that does not represent the final maturity of the Bonds. Upon surrender for any partial redemption of any Bonds, there shall be issued to the Registered Owner a new Bond or Bonds in the amount of the unredeemed principal in an Authorized Denomination. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

(d) In addition to the official notice of redemption, if the Bonds are not then held under a book-entry only system, further notice shall be given by the Trustee in the name of the Issuer as set out below; provided, however, that neither the failure to give any such notice nor any defect in any notice so given shall affect the sufficiency or validity of any proceedings for the redemption of the Bonds. Each further notice of redemption given hereunder shall contain the information required 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. Each further notice of redemption shall be sent at least 30 days before the redemption date by certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the type comprising the Bonds (such depositories now being DTC) and to one or more national information services, chosen in the discretion of the Trustee, that disseminate notice of redemption of obligations such as the Bonds.

(e) The Trustee shall at all reasonable times make available to any interested party complete information as to Bonds which have been redeemed or called for redemption.

Section 3.4 No Partial Redemption After Event of Default. Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing any Event of Default under this Indenture, there shall be no redemption of less than all of the Bonds at the time Outstanding.

Section 3.5 Payment of Redemption Price. Subject to other provisions of this Agreement, for the redemption of any of the Bonds, the Issuer shall cause to be deposited in the Bond Fund an amount sufficient to pay the principal of, redemption premium, if any, and interest to become due on such Bonds on the date fixed for such redemption. Any amount in the Bond Fund available on such redemption date for payment of the principal of and accrued interest and redemption premium, if any, on the Bonds to be redeemed shall be credited against any amount required to be caused to be so deposited in the Bond Fund.

Section 3.6 Cancellation. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee as provided in Section 5.9 of this Indenture.

Section 3.7 Bonds Redeemed in Part. With respect to any Bond which is to be redeemed only in part which has been surrendered (with due endorsement by, or a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed in blank by, the Holder thereof or his attorney duly authorized in writing), the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge to the Holder a new Bond or Bonds, of any Authorized Denomination or Denominations as requested by such Holder, and in an aggregate principal amount equal to the unredeemed portion of the principal of the Bonds surrendered.

Section 3.8 Book-Entry Only System; Redemptions. The Trustee acknowledges that references in this Article III regarding Bonds should be read, where applicable, to include beneficial interests therein and Bondholders or registered Owners should be read to include DTC Participants, but (i) all rights of ownership must be exercised through DTC and the Book-Entry Only System and (ii) all notices are to be given only to DTC (except as to Interested Beneficial Holders who shall be given all notices given to DTC), all pursuant to the terms and conditions of the Representation Letter.

Article IV

GENERAL COVENANTS

Section 4.1 Payment of Principal and Interest. The Issuer covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, premium, if any, the purchase price of and interest on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, provided, however, that the Bonds do not now and shall never constitute a general obligation of the Issuer or a debt or a pledge of the faith and credit of the State, and all covenants and undertakings by the Issuer hereunder and under the Loan Agreement and the Bonds to make payments are special obligations of the Issuer payable solely from the revenues and funds pledged hereunder.

Section 4.2 Performance of Issuer Covenants. The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto.

Section 4.3 Instruments of Further Assurance. The Issuer 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 may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular 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. 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 in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section of this Indenture. The Issuer covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Trust Estate or the revenues or receipts therefrom.

Section 4.4 Diminution of, or Encumbrance on, Trust Estate. The Issuer covenants not to sell, transfer, assign, pledge, release, encumber or otherwise diminish or dispose of, directly or indirectly, by merger or otherwise, or cause or suffer the same to occur, or create or allow to be created or to exist any lien upon, all or any part of its interests in the Trust Estate, except as expressly permitted by this Indenture.

Section 4.5 Recording and Filing. In order to perfect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Note, the Issuer, to the extent permitted by law, will execute such security agreements or financing statements, naming the Trustee as assignee and pledgee of the Trust Estate assigned and pledged under this Indenture for the payment of the principal of, premium, if any, and interest on the Bonds and as otherwise provided herein, and the Trustee will cause the same to be duly filed and recorded, as the case may be, in the appropriate State and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in the State, as from time to time amended. To continue the security interest evidenced by such security agreements or financing

statements, the Trustee shall, at the expense of the Borrower, file and record or cause to be filed and recorded such necessary continuation statements or supplements thereto and other instruments from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Note. The Issuer, to the extent permitted by law, at the expense of the Borrower, shall execute and cause to be executed any and all further instruments as shall be reasonably required by the Trustee for such protection and perfection of the interests of the Trustee, the Registered Owners and the Trustee, the Borrower or its agent, as the case may be, shall, at the expense of the Borrower, file and refile or cause to be filed and refiled such instruments which shall be necessary to preserve and perfect the lien of this Indenture upon the Trust Estate until the principal of, premium, if any, and interest on the Bonds issued hereunder shall have been paid or provision for their payment shall be made as herein provided.

Section 4.6 Books, Records and Accounts. The Trustee agrees to keep proper books for the registration of, and transfer of ownership of, each Bond, and proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, investment, allocation and application of the proceeds received from the sale of the Bonds, the Revenues, the documents executed by the Borrower in connection therewith, the funds and accounts created pursuant to this Indenture, and all other moneys held by the Trustee hereunder. The Trustee shall, during regular business hours and upon reasonable prior notice, make such books, records and accounts available for inspection and copying by the Issuer, the Borrower and the Holders.

Section 4.7 List of Bondholders. The Trustee will keep on file a list of names and addresses of all Registered Owners of the Bonds on the registration books of the Issuer maintained by the Trustee, 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 or by the Owners of the Bonds (or a designated representative thereof) of 15% 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.

Section 4.8 Representations and Warranties of the Issuer. The Issuer hereby represents and warrants as follows:

(i) The Issuer is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the Constitution, and a home rule unit of government under Article VII of the Constitution.

(ii) The Issuer has all necessary power and authority to issue the Bonds and to execute and deliver this Indenture, the Loan Agreement and the other Bond Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(iii) The revenues and assets pledged for the repayment of the Bonds are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Indenture, and all action on the part of the Issuer to that end has been duly and validly taken.

(iv) The Bond Documents to which the Issuer is a party have been validly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

Section 4.9 Tax Covenants.

(a) The Issuer covenants to and for the benefit of the Bondholders, that, notwithstanding any other provisions of this Indenture or of any other instrument, it will:

(i) neither make or use nor cause to be made or used any investment or other use of proceeds of the Bonds or the moneys and investments held in the funds and accounts established under this Indenture which would cause the Bonds to be arbitrage bonds under Section 148 of the Code and the regulations issued under Section 148 of the Code or which would otherwise cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes, and shall maintain an agreement from the Borrower to this effect as to the investments made at the Borrower's discretion;

(ii) not take or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations promulgated thereunder;

(iii) not take or cause to be taken any other action or actions or fail to take any action or actions which would cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes; and

(iv) 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 will be excluded from gross income, for federal income tax purposes, of the Bondholders pursuant to Section 103 of the Code, except in the event where an owner of Bonds is a substantial user of the facilities financed with the Bonds or a related person within the meaning of the Code.

(b) The Trustee acknowledges that under Section 148 of the Code, investment of the proceeds of the Bonds, including investment proceeds and moneys held in any sinking fund for the payment of the Bonds, is subject to and must comply with the provisions of Section 148 of the Code with respect to the acquisition of obligations the yield on which will be materially higher than the yield on the Bonds during the term of the Bonds. The Trustee further acknowledges that investments may be made in materially higher yield obligations during a temporary period if certain requirements set forth in the regulations under Section 148 are met and that the proceeds of the Bonds may be invested in materially higher yield acquired obligations which are part of a reasonably required reserve or replacement fund and bona fide debt service fund. The Trustee further acknowledges that, under certain circumstances, earnings on certain funds may be subject to rebate to the United States in accordance with Section 148 of the Code, and the Trustee agrees to comply with Section 148. The

Issuer agrees not to take any action inconsistent with holding and investment of moneys in funds and accounts under the terms of this Indenture.

Section 4.10 Amendments to Mortgage, SLF Agreement and Assignment.

Without the consent of or notice to any of the Bondholders, the Issuer and the Trustee may consent to any amendment, change or modification of the Mortgage, the SLF Agreement or the Assignment (i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Mortgage, the SLF Agreement or the Assignment; or (ii) to make other changes therein which, in the sole judgment of the Trustee, do not adversely affect the interests of the Trustee, the Borrower or the Owners of the Bonds. The Issuer and the Trustee shall not consent to any other amendment, change or modification of the Mortgage, the SLF Agreement or the Assignment unless the consent of the Owners of (i) respecting non-monetary matters, at least 66-2/3% in aggregate principal amount of Bonds at the time Outstanding or (ii) respecting monetary matters, 90% in aggregate principal amount of Bonds at the time Outstanding is procured and given in the manner set forth herein. The Trustee may rely on an opinion of Independent Counsel as conclusive evidence that requisite Bondholder consent thereto complies with the requirements of this Section 4.10.

Section 4.11 Trustee's Covenants. The Trustee agrees that it will invest funds held under this Indenture in accordance with the terms of this Indenture and the Tax Agreement (this covenant shall extend throughout the term of the Bonds, to all funds and accounts created under this Indenture and all money on deposit to the credit of any fund or account). The Trustee covenants to and for the benefit of the Bondholders that, notwithstanding any other provisions of this Indenture, it will not make or cause to be made any investment or other use of the money in the funds or accounts which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes; provided that the Trustee shall be deemed to have complied with these requirements and shall have no liability to the extent it follows the written directions of the Borrower or the Issuer. The Trustee further covenants that should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer, the Borrower or Bond Counsel regarding such investment or use so as to prevent the Bonds from becoming "arbitrage bonds," and the Trustee will bear no liability to the Issuer, the Borrower or the Holders of the Bonds for investments made in accordance with such instructions.

Section 4.12 Rights Under Loan Agreement. The Loan Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer 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 Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer (except for the Unassigned Rights) and all obligations of the Borrower under and pursuant to the Loan Agreement for and on behalf of the registered Owners of the Bonds, whether or not the Issuer is in default hereunder.

Article V

FUNDS AND APPLICATION OF REVENUES AND OTHER MATTERS

Section 5.1 Establishment of Funds and Accounts; Application of Moneys.

(a) The following special funds and accounts shall be established and maintained pursuant to the provisions of this Indenture:

Bond Fund;

(a) Capitalized Interest Account

Cost of Issuance Fund;

Acquisition and Rehabilitation Fund;

(a) Bond Proceeds Account

(b) Equity Account

Debt Service Reserve Fund;

Medicaid Receivables Cash Flow Fund;

Project Fund;

(a) Revenues Account

(b) Rebate Account

(c) Operating Expense Account

(d) Trustee/Issuer Expense Account

(e) Insurance/Tax Account

(f) Replacement Reserve Account

(g) Borrower Account; and

Initial Lease Up Reserve Fund

(b) The Trustee is authorized to receive the proceeds of the Bonds for and on behalf of the Issuer and to give receipt therefor along with certain other monies of the Borrower. The net proceeds received by the Issuer from the sale of the Bonds and the other funds deposited by the Borrower with the Trustee shall be applied as follows:

(i) The net proceeds of the sale of the Bonds after Underwriter's discount of \$360,000 shall be applied as follows: \$14,789,487.50 to be deposited in the Bond Proceeds Account of the Acquisition and Rehabilitation Fund, \$1,503,125 to be deposited in the Capitalized Interest Account of the Bond Fund, \$0 to be deposited in the Cost of Issuance Fund and \$1,347,387.50 to be deposited in the Debt Service Reserve Fund.

(ii) On the Issuance Date, other monies of the Borrower shall be applied as follows: \$0 to the MRCFF Requirement, \$1,947,290.98 of Borrower's equity to be deposited in the Equity Account of the Acquisition and Rehabilitation Fund, \$429,750 of Borrower's equity to be deposited in the Cost of Issuance Fund, and \$137,284.02 of Borrower's equity to be deposited in the Insurance/Tax Account of the Project Fund, and \$125,000 of the Borrower's equity to be deposited in the Initial Lease-Up Reserve Fund.

(iii) Subsequent to the Issuance Date, other monies of the Borrower shall be applied as follows: \$1,965,615 of Borrower's equity to be deposited in the

Medicaid Receivables Cash Flow Fund; \$507,132 of Borrower's equity to be deposited in the Initial Lease-Up Reserve Fund; \$224,000 of Borrower's equity to be deposited in the Insurance/Tax Account of the Project Fund and \$60,600 of Borrower's equity to be deposited in the Replacement Reserve Account of the Project Fund.

Section 5.2 Bond Fund.

(a) There is created and established a "Bond Fund," and within the Bond Fund a "Capitalized Interest Account," which shall be held by the Trustee and which shall be used for the purpose of paying the principal, redemption premium, if any, and interest on the Bonds at the times set forth in the Bonds and of retiring such Bonds at or prior to maturity at the times and in the manner provided herein. At the Issuance Date there shall be deposited in the Capitalized Interest Account of the Bond Fund the amount of \$1,503,125 of Bond proceeds for the purpose of paying interest on the Bonds for the period beginning on the Issuance Date and ending on June 1, 2014. All monies deposited in the Bond Fund shall be disbursed and applied by the Trustee at the times and in the manner provided in this Indenture.

(b) The Trustee shall separately account for each deposit in the Bond Fund so that the Trustee may at all times ascertain the date and source of deposit of all funds (including any investment income on deposits in the Bond Fund). Except as provided in subsections (c) and (d) of this Section, neither the Issuer nor the Borrower shall have any interest in the Bond Fund or the monies and Investment Obligations therein, all of which shall be held in trust by the Trustee for the sole benefit of the Holders of the Bonds.

(c) The Bond Fund shall be drawn upon for the purpose of paying the principal, redemption premium, if any, and interest on the Bonds; provided that moneys on deposit in the Capitalized Interest Account shall be drawn upon to pay interest on the Bonds before any other moneys on deposit in the Bond Fund are applied to that purpose. Monies set aside from time to time with the Trustee and Paying Agent for the payment of such principal, redemption premium and interest shall be held in trust for the Holders of the Bonds in respect of which the same shall have been so set aside. Until so set aside for the payment of principal, redemption premium, if any, or interest as aforesaid, all monies in the Bond Fund shall be held in trust for the benefit of the Holders of all Bonds at the time outstanding equally and ratably and without any preference or distinction as between Bonds.

(d) In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been deposited in the Bond Fund, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Such monies shall be held in a separate and segregated fund and shall not be invested.

Any monies so deposited with and held by the Trustee not so applied to the payment of Bonds for at least five (5) years after the date on which the same shall have become due shall then be paid by the Trustee in accordance with Section 5.9(b) of this Indenture. Thereafter, Bondholders shall be entitled to look only to the Borrower for payment, the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such monies, and the Trustee shall have no further responsibilities with respect to such monies. The obligation of the Trustee under this Section to pay any such funds to the Borrower shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of such funds.

Section 5.3 Cost of Issuance Fund. There is created and established a "Cost of Issuance Fund," which shall be held by the Trustee. This Fund is to be funded at the Issuance Date by the Borrower from equity. All Bond proceeds in the Cost of Issuance Fund shall be expended to pay issuance costs before any other moneys in the Fund are applied to the purpose. None of the Proceeds of the Bonds, other than an amount not exceeding 2% of the sale price of Bonds either deposited into the Cost of Issuance Fund or, to the extent permitted by the Code, on deposit in the Bond Proceeds Account, may be used to pay the Costs of Issuance of the Bonds. Amounts in the Cost of Issuance Fund shall be used to pay issuance costs upon filing with the Trustee a written requisition of the Authorized Borrower Representative. Any monies remaining in the Cost of Issuance Fund three months after the Issuance Date shall be transferred to the Equity Account in the Acquisition Fund.

Section 5.4 Acquisition and Rehabilitation Fund.

(a) There is created and established a "Acquisition and Rehabilitation Fund," and within the Acquisition Fund a "Bond Proceeds Account" and an "Equity Account," which shall be held by the Trustee and disbursed by the Trustee at the written request of the Borrower to pay, or reimburse the Borrower for payment of, costs of the acquisition, rehabilitation and equipping of the Project and, to the extent permitted by the Code, Costs of Issuance of the Bonds in accordance with the Loan Agreement; *provided* that moneys on deposit in the Bond Proceeds Account shall be used for that purpose and exhausted before moneys on deposit in the Equity Account are used for the purpose. Moneys in the Acquisition Fund shall be withdrawn and so applied when the Borrower files with the Trustee a written requisition of the Authorized Borrower Representative in substantially the form attached to the Loan Agreement as *Exhibit D*.

(b) If an Event of Default occurs under this Indenture, and the Trustee declares the principal of all Bonds and the interest accrued thereon to be due and payable, no moneys may be paid out of the Acquisition Fund by the Trustee during the continuance of such an Event of Default, except that moneys on deposit in the Acquisition Fund may be transferred into the Bond Fund as and when necessary for the purpose of paying the Bonds as due as a result of such Event of Default; *provided*, however, that if such an Event of Default shall be waived and such declaration shall be rescinded by the Trustee or the owners of the Bonds pursuant to the terms of this Indenture, the full amount of any such moneys in the Acquisition Fund may again be disbursed by the Trustee in accordance with the provisions of the Loan Agreement.

(c) The Trustee shall keep and maintain adequate records pertaining to the Acquisition Fund and all disbursements therefrom.

(d) The Trustee's sole obligation shall be to make disbursements pursuant to properly completed requisitions. The Trustee shall have no responsibility for the Borrower's compliance with its obligations regarding the use of the proceeds of the Acquisition Fund.

(e) After the completion of the acquisition, rehabilitation and equipping of the Project, the Trustee shall transfer funds remaining on deposit in the accounts in the Acquisition Fund as provided by Section 3.3(d) of the Loan Agreement.

Section 5.5 Debt Service Reserve Fund.

(a) There is created and established a "Debt Service Reserve Fund" in the amount of the Debt Service Reserve Fund Requirement, which shall be held by the Trustee and which shall be transferred by the Trustee to the Bond Fund on any Interest Payment Date to the extent that the funds in the Bond Fund on such Interest Payment Date are insufficient to pay the interest and principal then due on the Bonds including, without limitation, any sinking fund redemptions provided for in Section 3.1(b). At the Issuance Date, the Debt Service Reserve Requirement shall be funded from Bond proceeds.

(b) Whenever the amount held in the Debt Service Reserve Fund, together with any other funds then held under this Indenture, is sufficient to provide for the redemption in whole of all outstanding Bonds, including any interest accrued to the date of redemption and any applicable redemption premium, such amount shall be transferred to the Bond Fund and applied to such redemption. On the final maturity of the Bonds, any amount remaining in the Debt Service Reserve Fund shall be used to pay the amount, including any accrued interest, due on final maturity and any balance remaining after the Bonds are fully paid shall be disbursed in accordance with Section 5.9(b) of this Indenture.

Section 5.6 Medicaid Receivables Cash Flow Fund.

(a) There is created and established a "Medicaid Receivables Cash Flow Fund" which will be funded in whole by June 1, 2014. On the 20th day of each month commencing December 1, 2015, the Trustee shall calculate whether the sum of Outstanding Medicaid Receivables plus funds on deposit in the Medicaid Receivables Cash Flow Fund exceed the MRCFF Requirement and shall transfer, to the extent of any such surplus, money on deposit in the Medicaid Receivables Cash Flow Fund to the Revenues Account of the Project Fund in accordance with Section 5.7(b) below. In the event no such direction is provided, such surplus shall be retained in the Medicaid Receivables Cash Flow Fund.

(b) Whenever the amount held in the Medicaid Receivables Cash Flow Fund, together with any other funds then held under this Indenture, is sufficient to provide for the redemption in whole of all outstanding Bonds, including any interest accrued to the date of redemption and any applicable redemption premium, such amount shall be transferred to the Bond Fund and applied to such redemption. Any amount remaining in the Medicaid Receivables Cash Flow Fund after the Bonds are fully paid shall be disbursed in accordance with Section 5.9(b) of this Indenture.

Section 5.7 Project Fund.

(a) There is established a "Project Fund" which shall be held by the Trustee and which shall have the following accounts:

- (i) Revenues Account;
- (ii) Rebate Account;
- (iii) Operating Expense Account;
- (iv) Trustee/Issuer Expense Account;
- (v) Insurance/Tax Account;
- (vi) Replacement Reserve Account; and
- (vii) Borrower Account.

(b) All Revenues collected on and after the Issuance Date shall be deposited when received from the Borrower or the Service Provider in the Revenues Account. In addition, to the extent that Revenues in the Revenues Account of the 20th day of any month are insufficient to fund the amounts required under Section 5.7(b)(i) through (vii) as determined by the Trustee, the Trustee shall disburse from the Medicaid Receivables Cash Flow Fund on the 20th day of such month into a Revenue Account an amount equal to the net Outstanding Medicaid Receivables for such month and then disburse from the Initial Lease Up Reserve Fund in an amount sufficient, when combined with available Revenues, to fully fund the amounts required by Sections 5.7(b)(i) through (vii). In addition, in any month after December 1, 2015, the Borrower (subject to written consent of Celadon Goldblatts, LLC; or any successor or assign thereof (the "Limited Partners") provided to the Trustee with the Borrower's direction) may (but is not required to) irrevocably direct the Trustee by the 20th of a month to make the transfer of surplus amounts held pursuant to Section 5.6 above to the Revenue Account for that month. The Trustee shall transfer or disburse funds in the Revenues Account on the 20th day of such month (except as otherwise provided below) commencing on the date of certification by the Department in the following amounts and order of priority:

(i) transfer to the Rebate Account, amounts necessary in each year so as to meet the Rebate Amount (as defined in the Tax Agreement), as set forth in writing by the Borrower to the Trustee;

(ii) transfer to the Operating Expense Account the budgeted expenditures for the operations of the Project, as certified to the Trustee by the Borrower, for further distribution on the 20th day of each month to an account established by the Borrower from which Operating Expenses are to be paid;

(iii) commencing June 1, 2014, or earlier to the extent that amounts from the initial deposit of Bond proceeds are insufficient, transfer to the Bond Fund the sum of (A) one-sixth of the interest due on the next Interest Payment Date plus (B) one-twelfth of the principal amount required to redeem the Bonds scheduled for redemption

during the current Bond Year pursuant to Section 3.1(b), *provided, however*, that the deposit made to the Bond Fund by the 20th of the month preceding an Interest Payment Date shall be an amount equal to the difference between the amount already on deposit in the Bond Fund and the Bond Service Charges payable on the Bonds on such Interest Payment Date;

(iv) in the event funds on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, transfer to the Debt Service Reserve Fund an amount equal to the shortfall between the amount on deposit in the Debt Service Reserve Fund and the Debt Service Reserve Fund Requirement divided by the number of months until the next Interest Payment Date in order to bring the balance of the Debt Service Reserve Fund up to the Debt Service Reserve Fund Requirement by the next succeeding Interest Payment Date;

(v) commencing June 1, 2014, or earlier to the extent that amounts from the initial deposit are insufficient, transfer to the Insurance/Tax Account the sum of (A) one twelfth (or such greater amount as necessary to pay when due) of the sum of all real estate taxes and assessments to be due in the current Bond Year as certified to the Trustee by the Borrower plus (B) one-twelfth (or such greater amount as necessary to pay when due) of the amount necessary to maintain all required insurance coverage during the current Bond Year as certified to the Trustee by the Borrower;

(vi) transfer to the Trustee/Issuer Expense Account the amount required (A) to pay any amount coming due to the Trustee or the Issuer pursuant to this Indenture prior to the fifteenth of the following month plus any unpaid amounts previously due to the Trustee and the Issuer, and (B) to pay any and all managers, consultants or experts retained pursuant to the terms of the Borrower Documents;

(vii) commencing January 1, 2014, transfer to the Replacement Reserve Account a monthly amount equal to \$5,050 or such other higher amount as may be established from time to time pursuant to Section 3.4 of the Loan Agreement;

(viii) commencing December 1, 2015 if the sum of Outstanding Medicaid Receivables and funds on deposit in the Medicaid Receivables Cash Flow Fund is less than the MRCFF Requirement, transfer to the Medicaid Receivables Cash Flow Fund an amount equal to the shortfall between (a) the sum of Outstanding Medicaid Receivables plus funds on deposit in the Medicaid Receivables Cash Flow Fund and (b) the MRCFF Requirement; and

(ix) transfer the balance, if any, to the Borrower Account.

To the extent that the amount available in the Revenues Account is insufficient during any month to transfer the amounts for such month required pursuant to (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above, except for any amounts required to be transferred to the Bond Fund pursuant to (iii) above which are instead transferred to the Bond Fund from the Debt Service Reserve Fund pursuant to Section 5.5(a), such amounts shall first be transferred from the Borrower Account.

(c) The Trustee shall apply monies on deposit in the Trustee/Issuer Expense Account to pay the fees of the Trustee and of the Issuer pursuant to the Loan Agreement

as such fees are due, and to pay any and all managers, consultants or experts retained pursuant to the terms of the Borrower Documents. Any deficiency shall be paid by the Borrower upon notice and demand pursuant to the Loan Agreement.

(d) The Trustee shall apply monies on deposit in the Insurance/Tax Account to pay real estate taxes and insurance premiums in regard to the Project as such amounts become due, provided that the Trustee receives all information necessary to determine the amount due, the due dates, the payee and the applicable address for payment. Any deficiency shall be paid by the Borrower upon notice and demand from the Trustee.

(e) The Trustee shall apply monies in the Replacement Reserve Account to pay amounts requisitioned by the Borrower pursuant to the Loan Agreement to pay for repairs and restoration of the Project in accordance with the Loan Agreement. At such time as no Bonds are outstanding, the balance of the Replacement Reserve Account shall be disbursed by the Trustee in accordance with Section 5.9(b) of this Indenture.

(f) Beginning on or after December 1, 2015, the Trustee shall distribute, on an annual basis, funds in the Borrower Account to the Borrower provided that (i) the Debt Service Coverage Ratio for the period from December 1, 2013 through December 1, 2014 and for each one year period thereafter equals or exceeds 1.10, (ii) the funds in the Debt Service Reserve Fund are equal to the Debt Service Reserve Fund Requirement, and (iii) the sum of Outstanding Medicaid Receivables plus funds on deposit in the Medicaid Receivables Cash Flow Fund is equal to the MRCFF Requirement. If the Debt Service Coverage Ratio is less than 1.10 for 1.0 for two consecutive annual periods, amounts accumulated in the Borrower Account will be used to redeem the Bonds, in accordance with Section 3.3, on the first Interest Payment Date for which notice can be given but only with the prior written consent of the Holders of a majority in aggregate principal amount of the Bonds then outstanding. For purposes of this subsection, the Trustee may rely conclusively on a certificate from the Borrower that the conditions of this subsection have been met.

(g) The Trustee shall cause all amounts to be deposited into the Rebate Account and all amounts on deposit in the Rebate Account to be paid to the United States Department of the Treasury at the times and in the amounts required by written directions provided to the Trustee pursuant to the Tax Agreement.

Section 5.8 Initial Lease Up Reserve Fund. Monies in the Initial Lease Up Reserve Fund shall be held by the Trustee and transferred by the Trustee to the Revenues Account of the Project Fund on any date and to the extent that the funds in the Revenues Account are insufficient to make deposits as provided for in Section 5.7(b)(i) through (vii). The Borrower is expected to deposit \$632,132 of Borrower's equity to the Initial Lease Up Reserve Fund prior to June 1, 2014.

Any monies remaining on deposit in the Initial Lease Up Reserve Fund after the date which the Project has operated at a 1.10x Debt Coverage Ratio for four consecutive calendar quarters shall be transferred to the Borrower Account.

Section 5.9 Disposition of Bonds Upon Payment; Final Disposition of Bond Proceeds.

(a) All Bonds paid and redeemed by the Trustee under the provisions of this Indenture, either at or before maturity, shall be canceled when such payment or redemption is made, and such Bonds, unless then held by the Trustee, shall be delivered to the Trustee. All canceled Bonds shall from time to time be cremated or otherwise destroyed by the Trustee.

(b) All amounts on deposit in any funds and accounts established under this Indenture (i) consisting of Excess Bond Proceeds (as defined below) shall be disbursed by the Trustee upon receipt of a written direction signed by an Authorized Officer of the Issuer provided in a manner consistent with the Issuer's covenants in Section 4.9 of this Indenture, and (ii) funded with amounts originally deposited by the Borrower from sources other than Bond proceeds, after application for the purposes specifically provided herein, shall be disbursed by the Trustee to the Borrower. "Excess Bond Proceeds" shall mean any Bond proceeds remaining after application of such proceeds for the purposes specifically provided herein, including without limitation the payment of Project costs and debt service on the Bonds.

Section 5.10 Accounting Records. The Trustee shall maintain accurate books and records for all funds and accounts established hereunder.

Article VI

INVESTMENT OF FUNDS

Section 6.1 Investment of Funds and Accounts Held by the Trustee. All monies held in the funds provided for in Section 5.1 shall be invested by the Trustee at the written direction of the Borrower in Investment Obligations; *provided* that monies deposited in the Bond Fund to pay interest or principal on an Interest Payment Date must be invested in Investment Obligations maturing on or before the relevant Interest Payment Date. In the event the Trustee does not receive such written instruction from the Borrower, monies shall be invested in money market accounts as set forth in (e) of the definition of "Investment Obligations." The Trustee may make any and all investments through itself or any bank or trustee company under common control with the Trustee.

Section 6.2 Valuation. In computing the amount in any fund or account held by the Trustee under the provisions of this Indenture, obligations purchased as an investment of monies therein shall be valued at the cost or market price thereof, whichever is lower, exclusive of accrued interest.

Section 6.3 Sale of Investments. The Trustee shall sell at the best price reasonably obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall provide the Borrower with a written statement, as of the last day of each calendar quarter, listing all of the Investment Obligations, if any, held for the credit of each fund or account in its custody under the provisions of this Indenture and supplements hereto as of the end of the preceding quarter.

Section 6.4 Liability of the Trustee and Issuer for Investments. The Borrower shall authorize, direct and confirm in writing all investments by the Trustee. The Trustee shall not be liable or responsible for the making of, or failure to make, any investment authorized by the provisions of this Article, in the manner provided in this Article, or for any loss resulting from any such investment so made, nor shall the Issuer have any liability in connection therewith.

Section 6.5 Earnings on Investments. Earnings on the investments of all accounts and funds (other than the Bond Proceeds Account of the Acquisition Fund and the Rebate Account) invested by the Trustee shall be deposited in the Revenues Account; provided that earnings on the investments of the Debt Service Reserve Fund and the Capitalized Interest Account of the Bond Fund shall be deposited in the Bond Proceeds Account of the Acquisition Fund until December 1, 2013. Earnings on the investment of amounts in the Bond Proceeds Account of the Acquisition Fund shall be retained in the Bond Proceeds Account and used as other moneys in that Account are used. Earnings on the investment of amounts in the Rebate Account shall be retained in that account and applied as other moneys in that account are applied.

Section 6.6 Arbitrage. No investment shall be made which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the Trustee shall be entitled to obtain, at the expense of the Borrower, an opinion from Bond Counsel that the making of any investment will not have such results. The Trustee shall not, however, be liable or responsible for failure to request such an opinion or for any investment the results thereof cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, whether or not the Trustee has requested such an opinion.

Article VII

DISCHARGE OF LIEN

Section 7.1 Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made, to the owners of the Bonds, the principal and interest due or to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then the estate and rights granted by this Indenture shall cease, determine and be void, whereupon 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 release such lien, and reconvey, release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights or property conveyed, assigned or pledged to the Trustee by this Indenture or otherwise subject to the lien of this Indenture, except cash or Federal Obligations held by the Trustee for the payment of the principal of, and redemption premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of and redemption premium, if any, on such Bond, plus interest thereon to the due date thereof, either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, or held by a Depository on behalf of the Trustee pursuant to an investment agreement, in trust and irrevocably set aside exclusively for such

payment, (1) funds in regard to which an opinion of nationally recognized counsel, selected by the Borrower and reasonably acceptable to the Trustee, experienced in federal bankruptcy matters has been obtained to the effect that payment of Bond Service Charges with such funds will not constitute a voidable preference under section 547 of the Bankruptcy Code in a case commenced by or against the Borrower or the Issuer or any insider of the Borrower or Issuer sufficient to make such payment without investment and/or (2) Federal Obligations, not subject to redemption prior to maturity, purchased with funds in regard to which an opinion of nationally recognized counsel, selected by the Borrower and reasonably acceptable to the Trustee, experienced in federal bankruptcy matters has been obtained to the effect that payment of Bond Service Charges with such funds will not constitute a voidable preference under section 547 of the Bankruptcy Code in a case commenced by or against the Borrower or the Issuer or any insider of the Borrower or Issuer, which Federal Obligations, maturing in such amount and at such times as will ensure the availability of sufficient monies to make such payment to the owners of the Bonds, without reinvestment, and (b) all necessary and proper fees, compensation, expenses and indemnities of the Trustee and the Issuer pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times 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 and the supplements hereto, except for the purposes of any such payment from such monies or Federal Obligations. The Issuer covenants that it will make no deposit hereunder and make no use of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of the Code.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all monies or Federal Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such monies and Federal Obligations have been so set aside in trust.

The above notwithstanding, prior to any defeasance becoming effective under this Article, there shall have been delivered to the Issuer and to the Trustee (i) an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that (A) interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) payments of principal of, and interest on, the Bonds from the proceeds of any such deposit to effectuate defeasance shall not constitute voidable preferences under Section 547 of the Bankruptcy Code in a case commenced under the Bankruptcy Code by or against the Issuer, the Borrower or any member of the Borrower, and (ii) an opinion, report or certification from a nationally recognized firm of certified public accountants stating that any deposit made pursuant to this Section is sufficient to defease the Bonds in accordance with the terms hereof.

Article VIII

REMEDIES OF TRUSTEE AND BONDHOLDERS UPON EVENT OF DEFAULT

Section 8.1 Events of Default. Each of the following events is defined as and shall constitute an "Event of Default" with respect to the Bonds issued under this Indenture:

(a) Default in the due and punctual payment of the interest on any of the Bonds;

(b) Default in the due and punctual payment of the principal of or redemption premium on any of the Bonds, whether at maturity or otherwise;

(c) Default in the performance or observance of any other of the covenants, promises, stipulations, agreements or conditions on the part of the Issuer contained in this Indenture for the benefit of the Bonds after the expiration of any applicable notice and cure period;

(d) The Trustee shall have received notice from the Department that the Borrower is in default under the SLF Agreement; and

(e) The occurrence of an Event of Default under the Loan Agreement, the Mortgage, the Security Agreement, the Assignment, the Note or any Bond Documents.

If an Event of Default with respect to any of the Bonds at the time outstanding occurs and is continuing, then and in each and every such case, unless the principal of all the Bonds shall have already become due and payable, either the Trustee or the Holders of more than 50% in aggregate principal amount of the Bonds then outstanding hereunder, by notice in writing to the Issuer and the Borrower (and to the Trustee and the Issuer and the Borrower if given by Holders), shall declare, the principal amount of all the Bonds to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture, a supplemental indenture or in the Bonds contained to the contrary notwithstanding. Anything to the contrary herein notwithstanding without the prior consent of any other party, the Trustee shall immediately declare the principal amount of all the Bonds to be due and payable if the Event of Default occurs under (a) or (b) above. The foregoing provisions are, however, subject to the condition that if, at any time after the principal amount of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit or cause to be paid or deposited with the Trustee, but only from the sources herein described, a sum sufficient to pay all matured installments of interest upon the Bonds and the principal of and redemption premium, if any, on any and all Bonds which shall have become due otherwise than by acceleration (with interest on overdue installments of interest, to the extent that payment of such interest is enforceable under applicable law, and on such principal and redemption premium, if any, at the rate of interest borne by the Bonds, to the date of such payment or deposit) and the reasonable expenses of the Trustee (including reasonable attorneys' fees), and any and all Events of Default under this Indenture or the appropriate supplemental indenture, other than the nonpayment of principal of or redemption premium, if any, or accrued interest on Bonds which shall have become due by acceleration, shall have been remedied, then and in every such case the Holders of a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Issuer and to the Trustee, may waive all Events of Default with respect to the Bonds and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair any right consequent thereon.

Section 8.2 Enforcement of Remedies. Upon the happening and continuance of any Event of Default with respect to the Bonds, the Trustee, in its own name and

as trustee of an express trust, on behalf of and for the benefit and protection of the Holders of all Bonds, may proceed with indemnification satisfactory to it to protect and enforce its rights and any rights of Issuer by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in the Loan Agreement or in aid or execution of any power herein granted or for the foreclosure on the security held for the benefit of the Bonds under this Indenture, or for any proper, legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid.

If an Event of Default shall have occurred with respect to the Bonds, and if requested in writing so to do by the Holders of more than 50% in aggregate principal amount of Bonds then outstanding, the Trustee, subject to Section 9.1(j), shall be obligated to exercise one or more of the rights and powers conferred by this Article, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Holders of the Bonds.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Holders of the Bonds) 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 to the Holders of the Bonds hereunder or now or hereafter existing at law or in equity or by statute.

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

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of the Bonds to which such Event of Default relates shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.3 Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the holders 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, together with indemnity satisfactory 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 with respect to an Event of Default, 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.

Section 8.4 Priority of Payments. All monies received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be applied by the Trustee after payment of the costs and expenses of the proceedings resulting in the collection of such monies (including reasonable attorneys' fees) and of the charges, expenses and liabilities incurred and advances made by the Trustee, if any, as follows:

(a) Unless the principal of all the Bonds shall have become or been declared due and payable:

FIRST: To the payment of any and all amounts owed to the Issuer pursuant to the terms of the Borrower Documents.

SECOND: To the payment of the persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

THIRD: To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds matured for the payment of which monies are held pursuant to the provisions of this Indenture), and in the order of their due dates, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment thereof ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege;

FOURTH: To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due at maturity and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with interest then due and owing thereon, payment on such Bonds shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege;

FIFTH: Any balance remaining, to the Borrower.

(b) If the principal of all the Bonds shall have become or been declared due and payable then 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, or if any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference, and with any balance remaining to the Borrower.

(c) If the principal of all 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 then, subject to the provisions of (a) above, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the monies shall be applied in accordance with the provisions of (b) above.

Whenever monies are to be applied pursuant to the provisions of this Section, such monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies 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 dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such monies 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 8.5 Remedies Vested in the 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 the Trustee without the necessity of joining as plaintiffs or defendants any owner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the outstanding Bonds.

Section 8.6 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 or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (i) an Event of Default with respect to the Bonds held by such owner has occurred of which the Trustee has been notified as provided in Section 9.1(h) hereof, or of which by said subsection it is deemed to have notice, (ii) the owners of not less than fifty percent in aggregate principal amount of Bonds then outstanding shall have made written notice 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 their own name or names, (iii) such owners of Bonds have offered to the Trustee indemnity as provided in Section 9.1(1) hereof, and (iv) 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, and such notification, request and offer of indemnity are declared in every case, at the option of the Trustee, to be a condition precedent to the execution of the powers under this Indenture or for any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no 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 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. However, nothing contained in this Indenture shall affect or impair the right of any Bondholders to enforce the payment of the principal of and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

Section 8.7 Termination of Proceedings. In case 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 Issuer, the Trustee and the Holders of the Bonds to which such proceeding related 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 proceedings had been taken.

Section 8.8 Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the owners of (i) more than two-thirds in aggregate principal amount of all the Bonds then outstanding in respect to which default in the payment of principal or interest, or both, exists, or (ii) more than 50% in aggregate principal amount of all the Bonds then outstanding in the case of any other Event of Default, *provided, however*, that there shall not be waived (i) any Event of Default in the payment of the principal of any outstanding Bonds at the date of maturity, or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to

such waiver or rescission, all arrears of interest or all arrears of payments of principal or both, when due, as the case may be, with interest on overdue principal at the rate borne by the Bonds, and all 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 proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, and the owners of the Bonds 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.

Article IX

TRUSTEE

Section 9.1 Acceptance of the Trusts. The Trustee has a combined capital and surplus of at least \$50,000,000 or, alternatively, a liability policy having the type of coverage and in an amount acceptable to the Issuer and the Borrower. The Trustee has an operations group of at least 4 experienced trust officers, with primary responsibility for municipal bond issues. The Trustee administers at least 25 municipal bond indentures aggregating at least \$25,000,000 under its administration.

The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, 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 all Events of Default which may have occurred have been cured, undertakes to perform such duties and only such duties as are expressly set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), subject to subsection (1) hereof, 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 its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may consult with counsel and may act and rely without investigation upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer or the Borrower), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for the validity of the execution by the Issuer of the Bonds or this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of

the security for the Bonds issued hereunder or intended to be secured by this Indenture and by indentures supplemental hereto.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured by this Indenture with the same rights which it would have if not the Trustee.

(e) The Trustee shall be protected in acting upon and may rely upon without independent investigation any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it 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 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 all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon without investigation a certificate signed by an Authorized Officer of the Issuer or Authorized Borrower Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in subsection (h) of this section, or of which by said subsection 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. A certificate of the Issuer to the effect that a resolution in the form therein set forth has been adopted by Issuer is conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence, gross negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article IV hereof for payment when due of principal, redemption premium or interest on any Bond, unless the Trustee shall be specifically notified in writing of such Event of Default by the Issuer or by the owners of at least twenty-five (25) percent in aggregate principal amount of the 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 Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(i) At any and all reasonable times 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 or in indentures supplemental hereto conveyed, including all books, papers and records of Issuer pertaining to the revenues and receipts under the Loan Agreement and the Note, any arrangements for the servicing of the Loan and the Bonds, and to take such memoranda from and make copies thereof and in regard thereto as may be desired.

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

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, 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 deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee. No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

(l) Before taking the action referred to in Section 8.2 hereof or any action following an Event of Default, 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, except liability which is adjudicated to have resulted from its gross negligence or willful default by reason of any action so taken.

(m) All monies received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required herein or by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any monies received hereunder except such as may be agreed upon.

(n) The Trustee shall have the right and power to disclaim any interest which, in the Trustee's sole discretion, will or may cause the Trustee to be considered an "owner" or "operator" of property held subject to this Indenture, under the provisions of any environmental law as amended from time to time, or which shall otherwise cause the Trustee to incur liability under any environmental law, or any other federal, State or local law, rule or regulation. In the event of an Event of Default, the Trustee may, in its reasonable discretion, after being indemnified by the Bondholders, inspect, review and monitor, or require the inspection, review and monitoring of any and all property subject to this Indenture for the purpose of determining compliance with any law, rule or regulation affecting such property. All expenses of such inspection, review and monitoring shall be paid by the Bondholders.

(o) In the event the Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Bonds, each representing less than majority of the aggregate principal amount of the Bonds then Outstanding, the Trustee, in its sole discretion and with advice of counsel, may determine what action, if any, shall be taken.

Section 9.2 Fees, Charges, Expenses and Indemnification of the Trustee.

The Trustee shall be entitled to its reasonable fees, charges and expenses for serving hereunder including those of its agents, counsel, servicer, Paying Agent and co-trustee. Such fees, charges and expenses shall be paid in accordance with this Indenture and the Loan Agreement. The Issuer shall indemnify and save the Trustee, its agents, officers, employees

and counsel harmless against any claims, whether threatened or made, expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its gross negligence or willful misconduct. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financing liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Issuer under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Trustee shall survive the satisfaction and discharge of this Indenture, *provided* that the Issuer shall only be required to pay obligations pursuant to this Section from monies received from the Borrower. If the monies from the Borrower are not adequate to pay such obligations, the Trustee may, upon written notice to the Issuer, reimburse itself from any moneys in its possession under the provisions of this Indenture (other than any irrevocable trust or escrow fund established with respect to defeased Bonds) and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and interest on any Bond upon the Trust Estate (other than monies held pursuant to Section 7.1 hereof) for the charges and expenses incurred by it as described in Section 8.4 hereof.

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

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

Section 9.3 Notice to Bondholders if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 9.1(h) hereof required to take notice or if notice of an Event of Default be given as in Section 9.1(h) hereof provided, then the Trustee shall immediately give written notice thereof by registered or certified mail to the Borrower and Equity Investor, pursuant to Section 13.4 hereof, and by first-class mail to the owners of all Bonds then outstanding, shown by the list required by Section 4.7 hereof to be kept at the Principal Office of the Trustee, and to Interested Beneficial Holders.

Section 9.4 Intervention by the Trustee. In any judicial proceeding concerning the issuance or the payment of the Bonds to which the Issuer or the Borrower is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may, to the extent permitted by the court, intervene on behalf of owners of the Bonds and shall do so, to the extent permitted by the court, if provided with indemnity satisfactory to the Trustee and requested in writing by the owners of at least twenty-five percent of the aggregate principal amount of the Bonds then outstanding.

Section 9.5 Successor to the 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 corporate 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, ipso facto shall be and become successor to the Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretion, 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 shall give notice thereof to the Issuer and the Borrower.

Section 9.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts created by this Indenture by giving thirty days' written notice by registered or certified mail to the Issuer and the Borrower and by first-class mail (postage prepaid) to the owner of each Bond shown by the list required by the terms of Section 4.7 hereof to be kept at the office of the Trustee, and such resignation shall not take effect until the appointment of a successor Trustee by the Borrower, the owners of the Bonds or by the Issuer as provided in Section 9.8.

Section 9.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer, and the Borrower, and signed by the owners of a majority in aggregate principal amount of the Bonds then outstanding. The Issuer or Borrower may remove the Trustee at any time with the consent of the owners of a majority in aggregate principal amount of the Bonds then outstanding, except as set forth under the provisions herein, for such cause as shall be determined in the sole discretion of the Borrower by filing with the Trustee and the Issuer an instrument signed by an Authorized Borrower Representative. Any removal shall not take effect until the appointment of a successor Trustee by the Borrower, the owners of the Bonds or by the Issuer as provided in Section 9.8 hereof.

Section 9.8 Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In the event that 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 Loan 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 Issuer, retiring Trustee, successor Trustee, Bond Registrar or successor Bond Registrar and Borrower. Pending such appointment by the Bondholders, the Issuer may, with the 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 Issuer, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee, successor Trustee, Bond Registrar or successor Bond Registrar and Borrower. If the registered owners and the Issuer 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 9.8 shall be a trust company or bank organized and in good standing under the laws of Illinois or any State or the District of Columbia and have a combined capital and surplus of not less than \$50,000,000 as set forth in its most recent published annual report of condition.

Section 9.9 Concerning Any Successor Trustee: Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the Issuer and the Borrower an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyances shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, powers and trusts of such predecessor hereunder, except any rights to payment due or indemnification rights, and every predecessor Trustee shall deliver all securities and monies held by it as the Trustee hereunder to its successor upon payment of all amounts due to the predecessor Trustee. Should any instrument in writing from Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties vested or intended to be vested by this Indenture in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by 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 or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded.

Section 9.10 Designation and Succession of Paying Agents. Amalgamated Bank of Chicago is appointed as Paying Agent hereunder. Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Indenture. If the position of Paying Agent shall become vacant for any reason, the Borrower shall with the consent of Issuer, within thirty days thereafter, appoint a bank or trust company located in the same city as such Paying Agent to fill such vacancy, *provided, however,* that if the Borrower shall fail to appoint such Paying Agent within said period, the Trustee shall make such appointment. The Paying Agent may resign upon notice to the Trustee and the Issuer and the Borrower. Other Paying Agents or fiscal agents may be appointed pursuant to Article IX hereof by the Borrower or the Issuer and approved by the Trustee if in its discretion additional Paying Agents or fiscal agents are deemed advisable. The Trustee covenants and agrees to cause the necessary arrangements to be made for the making available of funds hereunder by the Trustee or the Paying Agent for the payment of the Bonds from the Bond Fund.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in Section 9.1 hereof with respect to the Trustee insofar as such provisions may be applicable.

Notice of the appointment of additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 9.8 hereof with respect to the appointment of a successor Trustee.

Section 9.11 Appointment of Co-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 the Trustee in such jurisdiction. It is recognized that, in case of litigation under this Indenture, the Loan Agreement, and, in particular, in case of the enforcement thereof on an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties in trust as herein or in indentures supplemental hereto granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or Co-Trustee. The following provisions of this Section are adapted to these ends. The Trustee may appoint a separate or Co-Trustee only if one of the aforesaid reasons exists. In each case, each separate or Co-Trustee must be approved by the Issuer and the Borrower.

In the event that the Trustee appoints an additional institution as a separate or Co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Issuer be required by the separate 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 Issuer. In case any separate or Co-Trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or Co-Trustee.

Section 9.12 Representations, Warranties and Covenants of the Trustee. All Federal, State and local governmental, public, and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings that are required to have been obtained or made by the Trustee with respect to the authorization, execution, delivery, and performance by, or the enforcement against or by, the Trustee of this Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings have been fully complied with. The Trustee has a combined capital and surplus of at least \$50,000,000 or, alternatively, a liability policy having the type of coverage and in an amount acceptable to the Issuer and the Borrower. The Trustee has an operations group of at least 4 experienced trust officers, with primary responsibility for municipal bond issues. The Trustee administers at least 25 municipal bond indentures aggregating at least \$25,000,000 under its administration.

Article X

SUPPLEMENTAL INDENTURES

Section 10.1 Supplemental Indentures. Subject to the terms and provisions contained in this Section 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 Issuer, and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided, however*, that nothing in this Section shall permit, or be construed as permitting, without the consent of the owners of all outstanding Bonds, (i) a reduction in the principal amount of any Bond or the rate of interest thereon, or (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iii) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures, or (iv) the creation of any lien ranking prior to or on a parity with the lien of the Indenture on the Trust Estate or any part thereof, or (v) deprivation of the owner of any Bond then outstanding of the lien created on the Trust Estate, or (vi) an extension of the maturity of the Bonds.

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 given at least 60 days prior to the execution of the supplemental indenture by first-class mail to the owner of each Bond affected shown by the lists required by the terms of Section 4.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal 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 such notices, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture 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 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.

Prior to executing any supplemental indentures, Trustee shall be entitled to receive and may rely upon an opinion of counsel to the effect that such supplemental indenture is authorized or permitted in accordance with the terms of this Indenture.

Anything in this Indenture or in any supplemental indenture to the contrary notwithstanding, so long as the Borrower is not in default under the Loan Agreement, a supplemental indenture under this Article 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 of any such supplemental indenture together with a copy of the proposed supplemental indenture to be

mailed by certified or registered mail to the Borrower at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time, on the fifteenth day after the mailing of said notice.

Article XI

AMENDMENT OF DOCUMENTS

Section 11.1 Amendments, Etc., Requiring Bondholder Consent. None of the Issuer, the Borrower or the Trustee shall consent to any amendment, change or modification of the Loan Agreement or Borrower Documents without mailing of notice to all bondholders at least 60 days prior to and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding given as in this Section; *provided, however*, that if such amendment, change, or modification shall be to reduce the amount due from the Borrower, such consent shall be given by not less than one hundred percent of the Holders of Bonds. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement or Borrower Documents, 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 10.1 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 Office of the Trustee for inspection by all registered Owners of Bonds affected by such amendment, change or modification.

Section 11.2 Amendments Without Bondholders' Consent; Waivers. Subject to the terms and provisions of Section 11.1 of this Indenture, the Issuer and the Borrower may, with the prior written consent of the Trustee, amend or modify the Loan Agreement or the Borrower Documents, or any provision thereof, or may consent to the amendment or modification thereof, in any manner not inconsistent with the terms and provisions of this Indenture, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect in the Loan Agreement or the Borrower Documents; (b) to grant to or confer upon the Issuer or Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee; (c) to amend or modify the Loan Agreement or the Borrower Documents, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds; (d) to provide that the Bonds may be secured by a credit facility or other additional security not otherwise provided for in this Indenture or the Loan Agreement; (e) to modify, amend or supplement the Loan Agreement or the Borrower Documents, or any part thereof, or any supplement thereto, in such manner as the Trustee and the Borrower deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Bonds; (f) to provide for the appointment of a successor securities depository; (g) to provide for the availability of certificated Bonds; (h) to provide for changes in the components of the Project, to the extent permitted by this Indenture

and the Loan Agreement; and (i) to make any other change which does not, in the opinion of the Trustee, have a material adverse effect upon the interests of the Bondholders. In addition, subject to the terms and provisions contained in Section 11.1 hereof, the Trustee, may grant such waivers of compliance by the Borrower with the provisions of the Loan Agreement or the Borrower Documents as to which the Trustee may deem necessary or desirable to effectuate the purposes of the intent of the Loan Agreement or the Borrower Documents and which, in the opinion of the Trustee, do not have a material adverse effect upon the interests of the Bondholders, *provided* that the Trustee shall file with the Issuer any and all such waivers granted by the Trustee within three (3) business thereof.

Section 11.3 Opinion of Counsel. Prior to executing or consenting to any amendment, change or modification of the Loan Agreement, the Borrower Documents or this Indenture, the Trustee shall be entitled to receive and may rely upon an opinion of counsel to the effect that the same is authorized or permitted by this Indenture.

Article XII

ADDITIONAL BONDS

Section 12.1 Authorization of Additional Bonds. In addition to the Bonds initially issued, the Issuer may issue Additional Bonds on a parity with all Outstanding Bonds and secured by an equal charge and lien on and payable equally from the Revenues (i) to provide funds for any funds or accounts held under the Indenture; (ii) to provide for completion of the Project ("**Completion Bonds**"); and (iii) to refund in whole or in part a previously issued series of Bonds ("**Refunding Bonds**"). The principal amount of such Additional Bonds may include an amount allocated to pay the cost of issuance of such Additional Bonds as well as amounts required to be deposited in certain funds and accounts established pursuant to this Indenture.

Section 12.2 Provisions for Issuance of Additional Bonds. Additional Bonds shall be dated, shall bear interest until their payment at such rate or rates payable on such date or dates and shall mature on such date or dates and shall have such other terms and conditions not inconsistent with the provisions of this Indenture as shall be provided for such series in any Supplemental Indenture authorizing the issuance thereof. The Additional Bonds may be issued in one or more series and the Additional Bonds of each series shall each be designated "City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013."

Section 12.3 Supplemental Indentures. Each Supplemental Indenture executed in connection with the issuance of Additional Bonds shall specify:

- (a) the authorized principal amount of such Additional Bonds;
- (b) The purposes for which such Additional Bonds are being issued;
- (c) the date, maturity dates and amounts of each maturity and the first and subsequent Interest Payment Dates of such Additional Bonds or the manner of determining such items;

- (d) the interest rate or rates of such Additional Bonds, or the manner of determining such rate or rates;
- (e) the denomination or denominations of and the manner of numbering and lettering of such Additional Bonds or the manner of determining such items;
- (f) the form in which such Additional Bonds shall be initially issued;
- (g) the Redemption Price or Redemption Prices, if any, and, subject to Article III, the redemption terms, if any, for such Additional Bonds;
- (h) provisions for the sale of such Additional Bonds;
- (i) provisions with respect to funds and accounts, and revenues and application thereof, as provided in Article V;
- (j) directions for the application and disbursement of the proceeds of the Additional Bonds; and
- (k) any other provisions deemed advisable by the Issuer, in lieu of or in substitution for the provisions of this Indenture to the extent such action is permitted to be taken under this Indenture without the consent of the Bondholders.

Section 12.4 Subordinated Bonds. The Issuer may also issue revenue bonds secured by a charge and lien on, and payable from, the Revenues which is junior, inferior and subordinate in all respects to the lien of the Revenues which secures the Bonds. Subordinated bonds may be issued pursuant to and in accordance with the provisions of a resolution of the Issuer authorizing such bonds or otherwise as determined by the Issuer and shall be issued pursuant to an instrument other than this Indenture, but only upon there being filed with the Trustee the consent of the Holders of a majority of the principal amount of the Bonds then outstanding.

Section 12.5 Requirements for Additional Bonds. Prior to the delivery of any Additional Bonds on a parity with the Bonds, there shall be filed with the Trustee: (i) a Supplemental Loan Agreement or a supplement or modification to the Mortgage, or both, which shall require payments by the Borrower at such times and in such manner as shall be necessary to provide for full payment of the debt service on such Additional Bonds as such debt service becomes due; (ii) an Opinion of Bond Counsel to the effect that such Supplemental Loan Agreement is a valid, binding and legal instrument of the Issuer, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (iii) an Opinion of Counsel to the Borrower addressed to the Issuer and the Trustee and in form and substance satisfactory to the Issuer and the Trustee to the effect that the Supplemental Loan Agreement or a supplement or modification to the Mortgage, or both, is valid and binding upon the Borrower in accordance with its terms subject to the typical qualifications as to enforceability, and (iv) consent of the Holders of a majority of the principal amount of the Bonds then outstanding, which consent shall not be required in the event if the Bonds are refunded as a whole.

Notwithstanding anything herein to the contrary, no Additional Bonds shall be issued if a default exists under the Loan Agreement or this Indenture at the time of the Issuance of such Additional Bonds.

Unless such Additional Bonds are Refunding Bonds, no Additional Bonds shall be delivered by the Issuer and the Paying Agent unless there shall have been filed with the Trustee a certificate of an architect or engineer acceptable to the Issuer setting forth: (i) the estimated cost of capital additions or repairs to be financed with the proceeds of the Additional Bonds; (ii) the estimated amounts which will be required from month to month for paying such cost; (iii) the estimated date of completion; and (iv) that in his/her opinion the proceeds of such Additional Bonds together with other available moneys are not less than the amount of the cost of such capital additions or repairs to the extent that such plans and specifications for such capital additions or repairs have been prepared by such architect or engineer. In the event that the Issuer so determines or in the event that the principal amount of such Additional Bonds does not exceed five percent (5%) of the Borrower's Fixed Assets (exclusive of construction in progress, but after deduction of depreciation) as shown in the most recent audited financial statements of the Borrower, an Authorized Borrower Representative may submit a certificate setting forth the same information required from the architect or engineer in lieu of the architect's or engineer's certificate.

Article XIII

MISCELLANEOUS

Section 13.1 Consents, Etc., of Registered Owners. 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 the execution thereof. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of such authority;

(b) the ownership of registered Bonds shall be proved by the bond register;
and

(c) any request, consent or vote of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every 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 in pursuance of such request, consent or vote.

Section 13.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from 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 13.3 Severability. Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Bonds, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Borrower Documents, then the Borrower Documents shall be controlling in all respects. 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 circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

Section 13.4 Notices. Any provision of this Indenture relating to the mailing of notice or other communication to Bondholders shall be deemed fully complied with if such notice or other communication is mailed, by first class mail, postage prepaid, to each registered Owner of any Bonds then Outstanding at the address of such registered Owner as it appears on the bond register. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Issuer, the Trustee, the Borrower or the Equity Investor shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below. The Issuer, the Trustee, the Borrower or the Equity Investor may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Issuer:

CITY OF CHICAGO
Department of Housing and Economic Development
121 North LaSalle Street
Room 1000
Chicago, Illinois 60602
Attention: Commissioner
Telephone: (312) 744-9476
Facsimile: (312) 744-2271

with copies to: Department of Law
City Hall
Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development
Division
Telephone: (312) 744-0200
Facsimile: (312) 744-8538

and to: CITY OF CHICAGO
Department of Finance-Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Telephone: (312) 744-7106
Facsimile: (312) 744-4877

The Trustee: SEAWAY BANK AND TRUST COMPANY
645 East 87th Street
Chicago, Illinois 60619
Attention: Corporate Trust
Telephone: (773) 602-4156
Facsimile: (773) 487-0452

The Borrower: GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP
4725 N. Western Avenue, #220
Chicago, IL 60619
Attention: William Platt
Fax: (773) 929-7821

The Equity Investor: CELADON GOLDBLATTS, LLC
c/o CH Goldblatts, Inc.
2047 Wilmette Avenue
Wilmette, IL 60091
Attn: Scott Henry, President
Telephone: 312-343-3285
Facsimile: 1-888-895-5919

Notices to Interested Beneficial Holders shall be sent to the address specified by the Interested Beneficial Holder in its notice to the Trustee. The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture, provided, however, that subsequent to such facsimile transmission of written instructions, the originally executed instructions and/or directions shall be provided to the Trustee in a timely manner.

Section 13.5 Payments Due on Saturdays; Sundays and Holidays. In any case where a date of payment with respect to any Bonds shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next

succeeding Business Day with the same force and effect as if made on such date, and interest shall accrue for the period after such date providing that payment is made on such next succeeding Business Day.

Section 13.6 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 13.7 Applicable Provisions of Law. The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State without regard to conflicts of laws principles.

Section 13.8 Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinafter," "hereinafter" and other equivalent words refer to the Indenture and not solely to the particular portion in which any such word is used.

Section 13.9 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 13.10 Consent and Directions in Writing; Authorized Representatives. Any consent, certification, request or direction by or from the Borrower or the Issuer shall be in writing and in each case shall be executed by an Authorized Borrower Representative or Authorized Officer, respectively.

Section 13.11 No Recourse. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond shall be had against any official, officer, commissioner or employee (past, present or future) of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer or its governing body upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such official, officer, commissioner or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon any Bond hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

Section 13.12 Successors and Assigns. All the covenants and representations contained in this Indenture by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

Section 13.13 Trustee as Paying Agent and Bond Registrar. The Trustee is hereby designated and agrees to act as Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 13.14 Rights and Duties of the Issuer.

(a) Notwithstanding any contrary provision in this Indenture, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, employees and agents and for collection or reimbursement of moneys due to it under this Indenture for its own account. The Issuer may enforce its rights under this Indenture which have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under this Indenture, including court costs, attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Without limiting the generality of Section 13.13(c), the Issuer shall not be required to monitor the financial condition of the Borrower and shall not have any responsibility or other obligation with respect to reports, notices, certificates or other documents filed with it hereunder.

(c) The Issuer shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken or omitted to be taken in good faith in reliance on such advice. Each such person may rely conclusively on any communication or other document furnished to it under this Indenture and reasonably believed by it to be genuine. No such person shall be liable for any action (i) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (ii) in good faith omitted to be taken by it because reasonably believed to be beyond the discretion or powers conferred upon it, (iii) taken by it pursuant to any direction or instruction by which it is governed under this Indenture or (iv) omitted to be taken by it by reason of the lack of direction or instruction required for such action, nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person. When any consent or other action by the Issuer is called for by this Indenture, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. It shall not be required to take any remedial action (other than the giving of notice) unless indemnity acceptable to the Issuer in its sole discretion is provided for any expense or liability to be incurred thereby. It shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the "prime rate" of the Trustee, as announced from time to time (or, if none, the nearest equivalent), in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act shall be construed as a requirement to act; and no delay in the exercise of any such right or power shall affect the subsequent exercise of that right or power. The Issuer shall not be required to take notice of any breach or default by the Borrower under this Indenture except when given notice thereof by the Trustee. No recourse shall be had by the Borrower, the Trustee or any Owner of the Bonds for any claim based on this Indenture, the Bonds or any agreement securing the same against the Issuer alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future employee, official, officer or agent of the Issuer in his or her individual capacity,

and no person executing a Bond shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

(d) Nothing contained in this Indenture is intended to impose any pecuniary liability on the Issuer nor shall it in any way obligate the Issuer to pay any debt or meet any financial obligations to any person at any time in relation to the Project except from moneys received under the provisions of this Indenture or from the exercise of the Issuer's rights hereunder other than moneys received for its own purposes.

[Signature Page Follows]

IN WITNESS WHEREOF, the City of Chicago has caused this Indenture to be executed by its Mayor, attested by its City Clerk or its Deputy City Clerk and its corporate seal to be affixed to this Indenture; and the Trustee has caused this Indenture to be executed by one of its Authorized Officers, all as of the day and year first above written.

CITY OF CHICAGO

Rahm Emanuel SRP
Mayor

[Seal]

Attest:

Susana A. Mendoza
Name: Susana A. Mendoza
Title: City Clerk

SEAWAY BANK AND TRUST COMPANY,
as Trustee

Wesley Williams
Authorized Officer

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BONDS
(GOLDBLATTS SUPPORTIVE LIVING PROJECT), SERIES 2013

NO. R-__

\$_____

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company 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 such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owners hereof, Cede & Co., has an interest herein.

INTEREST RATE: _____ %
MATURITY DATE: December 1, 20__
DATED DATE: January 30, 2013
CUSIP NO.: _____
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT: _____

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY OF CHICAGO OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ILLINOIS OR THE CITY OF CHICAGO; THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE.

The CITY OF CHICAGO, a duly constituted and existing municipality and home rule unit of government of the State of Illinois ("Issuer"), acknowledges itself indebted and for value received promises to pay to CEDE & CO. or registered assigns, the principal sum of _____ (\$_____), on the Maturity Date stated above or on the date fixed for prior redemption, as the case may be, together with interest on such principal sum from the Dated Date of this Bond until the Issuer's obligation with respect to the payment of such principal sum shall be discharged, at the Interest Rate Per Annum stated above payable on June 1, 2013, and thereafter on each June 1 and December 1 until maturity or earlier redemption. This Bond, as to principal and redemption premium, if any, when due, will be payable at the corporate trust office of Seaway Bank and Trust Company, or its successors as trustee under the Indenture mentioned below (the "Trustee"). Interest on this Bond will be payable by check or bank draft

and will be mailed to the registered owner who shall appear on the registration books of the Issuer which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15th day of May and November (the "**Record Date**") (or, in the case of any proposed redemption of the bond, the day next preceding the date of the first publication of notice of such redemption); *provided*, that at the written request of a Registered Owner of \$1,000,000 or more of bonds, such interest shall be paid by wire transfer of funds to a bank account located in the United States as designated by such Registered Owner. Payment of the principal of, redemption premium, if any, and interest on this bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is the duly authorized issue of revenue bonds, designated as Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2013 (the "**Bonds**") of the Issuer, limited to the aggregate principal amount of \$18,000,000, and authorized and issued under and pursuant to: (i) a resolution of the Issuer duly adopted on June 8, 2011 (the "**Resolution**"); and (iii) a Trust Indenture from the Issuer to the Trustee dated as of January 1, 2013 (the "**Indenture**"). Copies of the Indenture are on file in the office of the Issuer in Chicago, Illinois and at the principal corporate trust office of the Trustee. All capitalized terms used but not defined in this Bond shall have the respective meanings assigned to such terms in the Indenture.

Pursuant to the Loan Agreement dated as of January 1, 2013 (the "**Loan Agreement**"), between the Issuer and Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "**Borrower**"), the Borrower is obligated to make payments to the Trustee in the amounts and at the times corresponding to the payments of principal of, redemption premium, if any, and interest on the Bonds (the "**Bond Service Charges**") when due. The obligations of the Borrower under the Loan Agreement are evidenced by a Promissory Note of the Borrower (the "**Note**") of even date with the Loan Agreement which is secured by the Mortgage described below. By the Indenture, the Issuer has assigned its right, title and interest in and to the Loan Agreement (except for the Issuer's "**Unassigned Rights**" as defined in the Indenture) to the Trustee as security for the payment of the Bond Service Charges.

The Bonds are limited obligations of the Issuer and the principal of, redemption premium, if any, and interest on the Bonds shall be payable solely from and secured by: (i) amounts paid by the Borrower under the Loan Agreement and the Note, (ii) an assignment to the Trustee of all the Issuer's rights (except for the Unassigned Rights under the Loan Agreement and the Note); (iii) a pledge of and security interest in all moneys and investments held by the Trustee under the Indenture, including any moneys representing earnings on monies held under the Indenture; (iv) a mortgage on the Borrower's ownership interest in certain property located generally at 4707 S. Marshfield Avenue and 1635 W. 47th Street within the territorial jurisdiction of the Issuer (the "**Mortgage**"); (v) the Security Agreement; (vi) the Assignment (as defined in the Indenture) and (vii) the Note. None of the State of Illinois (the "**State**"), the Issuer, nor any other political subdivision or body corporate and politic, or agency, of the State or the Issuer (except to the limited extent provided herein) shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and neither this Bond nor any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of the State, the Issuer, or any other political subdivision or body corporate and politic of the State or the Issuer (except to the limited extent provided herein), within the meaning of any constitutional or statutory provision whatsoever.

This Bond is transferable, as provided in the Indenture, only upon the registration books of the Issuer which are kept for that purpose at the corporate trust office of the Trustee in Chicago, Illinois, as registrar under the Indenture (the "**Registrar**"), or its successor as Registrar, upon surrender of this Bond together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the registered owner or by such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond as provided in the Indenture, upon payment of the charges therein prescribed. The Issuer, the Trustee, the Registrar and any Paying Agent of the Issuer may treat and consider the person in whose name this Bond is registered as the holder and absolute owner of this Bond for the purpose of receiving payment of the principal of, redemption premium, if any, and interest due on the Bond and for all other purposes.

The Bonds shall be subject to optional redemption, in whole or in part, after the required notice of redemption is given, on or after the dates set forth below, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) as shown in the following table, plus accrued interest to the redemption date.

<u>Date</u>	<u>Price</u>
On or after December 1, 2019 through November 30, 2020	104%
On or after December 1, 2020 through November 30, 2021	103%
On or after December 1, 2021 through November 30, 2022	102%
On or after December 1, 2022 through November 30, 2023	101%
On or after December 1, 2023	100%

The Bonds are not subject to optional redemption prior to December 1, 2019.

The Bonds are subject to mandatory sinking fund redemption on the Interest Payment Dates and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, and without redemption premium, subject to reduction, in inverse order of such principal amounts to the extent that Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption:

[INSERT APPLICABLE REDEMPTION TABLE]

The Bonds are subject to mandatory redemption in whole on the earliest date after the required notice of redemption can be given following a Determination of Taxability but not less than 35 days following the Trustee's receipt of notice of such occurrence at a redemption price equal to 103% of the principal amount of the Bonds so redeemed, plus accrued interest to the redemption date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall give prompt written notice of the occurrence of a Determination of Taxability to the Bondholders and the Borrower. All of the Bonds outstanding on the redemption date selected shall be redeemed on that date, except that Bonds subject to Mandatory Sinking Fund Redemption prior to that date, but after the selection thereof, shall be retired on that Mandatory Sinking Fund Redemption date at the same price as if they had been called for redemption on the redemption date. No other redemption premium shall be payable in the event of a Determination of Taxability.

The Bonds shall be subject to redemption in whole and not in part prior to maturity, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, upon the receipt by the Trustee of a written certification of the Borrower fixing a redemption date (which date shall be at least 45 days but not more than 60 days after the date of the certification), and stating that one of the following events has occurred: any insurance proceeds received by the Trustee as a result of damage to the Project or defective title are applied to the prepayment of the Note; condemnation and proceeds received by the Trustee are applied to the prepayment of the Note; the Borrower becomes subject to the Bankruptcy Code and the trustee in bankruptcy causes or directs prepayment of the Mortgage; or upon an event of default under the Loan Agreement and an acceleration of the Note.

The Bonds are subject to mandatory redemption, to the extent of excess moneys in the Bond Proceeds Account of the Acquisition Fund, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, without redemption premium in the maximum principal amount of Authorized Denominations permitted by the balance of moneys transferred to the Bond Fund as described in (ii) below and not otherwise necessary for the payment of principal of, redemption premium, if any, or interest on the Bonds within the next 12 months. Such redemption shall occur on the first Interest Payment Date upon which proper notice of redemption can be given following (i) delivery by the Borrower of the certificate pursuant to Section 3.3(d) of the Loan Agreement evidencing completion of the Project and (ii) the transfer of excess moneys, if any, from the Bond Proceeds Account of the Acquisition Fund to the Bond Fund pursuant to Section 3.3(d) of the Loan Agreement.

A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose in accordance with the provisions of the Indenture, *provided*, that there shall be no partial redemption of any Bond which would result in the unredeemed portion not being of an Authorized Denomination. If less than all the Bonds are called for redemption under any provision of the Indenture permitting such partial redemption, the particular Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with the procedures established by DTC or any other applicable book-entry depository), in the principal amount designated to the Trustee by the Borrower or otherwise as required by this Indenture; *provided*, that the portion of any Bond to be redeemed shall be in an Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such portion, the Registered Owner of such Bond upon surrender of such Bond to the Trustee for payment to such Registered Owner of the redemption price of the portion called for redemption shall be entitled to receive a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the Registered Owner without charge. If the Registered Owner of any such Bond of a denomination greater than the principal amount to be redeemed shall fail to present such Bond to the Trustee 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 portion of the principal amount called for redemption (and to that extent only).

If any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, by mailing a copy of such notice by certified mail or registered mail, postage prepaid not less than 30 nor more than 60 days prior to the redemption date which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portion of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest, *provided* that funds are available for such purpose on that date, and if funds are not available on such date, the redemption shall be deferred until funds are available. Such notice may set forth any additional information relating to such redemption. Such notice by mail shall be given at least 30 days and not more than 60 days prior to the date fixed for redemption to the holders of Bonds to be redeemed. No defect in any such notice shall in any manner defeat the effectiveness of the call for redemption.

Any Bonds and portions of Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII of the Indenture shall cease to bear interest on the specified redemption date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in the notice, and from and after such date (unless there is a default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Upon surrender for any partial redemption of any Bonds, there shall be issued to the Registered Owner a new Bond or Bonds in the amount of the unredeemed principal in an Authorized Denomination. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

In addition to the official notice of redemption, if the Bonds are not then held under a book-entry only system, further notice shall be given by the Trustee in the name of the Issuer as set out below; *provided*, that neither the failure to give any such notice nor any defect in any notice so given shall affect the sufficiency or validity of any proceedings for the redemption of the Bonds. Each further notice of redemption shall contain the information required 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. Each further notice of redemption shall be sent at least 30 days before the redemption date by certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the type comprising the Bonds and to one or more national information services, chosen in the discretion of the Trustee, that disseminate notice of redemption of obligations such as the Bonds.

The Trustee shall at all reasonable times make available to any interested party complete information as to Bonds which have been redeemed or called for redemption.

It is certified, recited and declared that (a) all conditions, acts and things which are required by the Constitution or by the statutes of the State or by the Resolution or Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed, and (b) the Bonds, together with all other indebtedness of the Issuer, are within every debt and other limit prescribed by said Constitution or statutes.

This Bond shall not be entitled to any security or benefit under the terms of the Indenture or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

[Signature Page follows]

IN WITNESS WHEREOF, the City of Chicago has caused the seal of the City to be impressed or reproduced on this Bond and this Bond to be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk.

CITY OF CHICAGO

(manual or facsimile signature)

Mayor

[Seal]

Attest:

(manual or facsimile signature)

Name: Susana A. Mendoza

Title: City Clerk

Dated: _____

CERTIFICATE OF AUTHENTICATION

This is to certify that this Bond is one of the Bonds described in the within-mentioned Indenture.

SEAWAY BANK AND TRUST COMPANY,
as Trustee

By: _____
Authorized Officer

Date: _____

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:

TEN COM -	as tenants in common
UNIF GIFT MIN ACT -	-----Custodian----- (cust) (minor)
	Under Uniform Gifts to Minors Act of _____ _____
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.

For value received the undersigned sells, assigns and transfers unto _____ the within Bond and irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchanges or a commercial bank, trust company, national association or other banking institution incorporated under the laws of the United States or a state of the United States.

Signature:

NOTICE: The signature on this Assignment must correspond with a name that appears upon the face of the within Bond in particular, without alteration, enlargement or any change whatever.

The Trustee and Bond Registrar will be required to register a Bond in the name of a transferee only if provided with the information requested below. The transferee (or his or her designated representative) should provide as much of the information requested below as is applicable to him or her prior to submitting this Bond transfer.

Name: _____

Address: _____

Social Security or Employee Identification Number: _____

If a Trust, Name and Address of Trustee: _____

16156-0088

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