
INDENTURE OF TRUST

between

CITY AND COUNTY OF SAN FRANCISCO

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of July 1, 2017

\$_[_____]

City and County of San Francisco
Variable Rate Multifamily Housing Revenue Bonds
(1601 Mariposa Apartments)
2017 Series B

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (the "Indenture"), is made and entered into as of July 1, 2017, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under the laws of the State of California (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, as trustee (together with any successor trustee and any separate or co-trustee serving as such pursuant to this Indenture, the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized by the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended (collectively, the "Act"), to assist in the financing of multifamily housing projects in the City and County of San Francisco; and

WHEREAS, the Issuer is authorized: (a) to make loans to any person to provide financing for rental residential developments located within the City and County of San Francisco and intended to be occupied in part by persons of low and moderate income; (b) to incur indebtedness (including the issuance of bonds) for the purpose of obtaining moneys to make such loans and provide such financing, to establish any required reserve funds and to pay administrative costs and other costs incurred in connection with the incurrence of such indebtedness of the Issuer; and (c) to pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans, and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal of, prepayment premium, if any, on and interest on such indebtedness of the Issuer; and

WHEREAS, the Issuer wishes to make a mortgage loan (the "Mortgage Loan") to Related/Mariposa Development Co., L.P., a [_____] limited partnership (the "Borrower"), to finance the acquisition and construction of a 299-unit multifamily rental housing facility located at 1601 Mariposa Street in San Francisco, California (the "Project"), all as more fully described in Exhibit A to the Loan Agreement, as hereinafter defined; and

WHEREAS, to finance the Mortgage Loan, the Issuer has determined to issue, sell and deliver the following bonds (together, the "Bonds"): the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, in the principal amount of \$[_____] (the "Bonds"), consisting of three subseries, including 2017 Series B-1, in the principal amount of \$[_____] , 2017 Series B-2, in the principal amount of \$[_____] , and 2017 Series B-3 (Taxable), in the principal amount of \$[_____] ; and

WHEREAS, to evidence the Mortgage Loan, the Issuer, the Borrower and the Trustee have executed and delivered a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement"); and

WHEREAS, the Borrower has caused to be delivered to the Trustee for the benefit of the Bondowners a letter of credit issued by Bank of America, N.A. and delivered to the Trustee to provide credit enhancement and liquidity support for the Series B-1 Bonds; and

WHEREAS, the Borrower has also caused to be delivered to the Trustee for the benefit of the Bondowners a letter of credit issued by Bank of America, N.A. delivered to the Trustee to provide credit enhancement and liquidity support for the Series B-2 Bonds and the Series B-3 Bonds; and

WHEREAS, the Issuer and the Borrower have executed and delivered a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement"), pursuant to which the Borrower has agreed to use and operate the Project in accordance with the requirements of the Act, the Code and the Issuer; and

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

WHEREAS, the Bonds and the Trustee's certificate of authentication endorsed thereon shall be in substantially the form presented in Exhibit A hereto, with such necessary and appropriate variations, omissions and insertions as are permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds, when executed by the Issuer and when authenticated and delivered by the Trustee, duly issued, valid and binding, special, limited obligations of the Issuer, and all other acts and things necessary to constitute this Indenture a valid, binding and legal instrument for the security of the Bonds have been done and performed;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the purchasers thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure (i) on a senior basis, the payment of the principal of, premium, if any, purchase price and interest on all Bonds outstanding hereunder from time to time, according to their tenor and effect, and the observance and performance by the Issuer of all the covenants expressed or implied herein and in the Bonds, and (ii) on a subordinate basis, the obligations of the Borrower, STRS or any other obligated party owing to any Credit Provider under a Credit Agreement including, without limitation, all obligations of the Borrower owing to the Credit Provider of the Series B-1 Letter of Credit under the applicable Reimbursement Agreement and all obligations of STRS owing to the Credit Provider of the Series B-2 & B-3 Letter of Credit under the applicable Reimbursement Agreement, does hereby pledge and assign unto the Trustee, and unto its successors and assigns forever and does hereby grant to it and them all of its right, title and interest in, to and under (but excluding any Unassigned Rights of the Issuer and such other rights expressly reserved to the Issuer in the following granting clauses):

GRANTING CLAUSE FIRST

The Mortgage Loan and the Mortgage Loan Documents (each as hereinafter defined), including all extensions and renewals of the terms thereof, if any, except the Issuer's rights

retained under any of said documents (including but not limited to fees, indemnifications, reimbursements, notice, and provisions regarding transfer of the Project), including but without limiting the generality of the foregoing, the present and continuing right to receive, collect or make claim for any of the Revenues (as hereinafter defined), whether payable under the above referenced documents, or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things that the Issuer or any other person on behalf of the Issuer is or may become entitled to do under the Mortgage Loan and the above-referenced documents; provided, that notwithstanding this Granting Clause, the Deed of Trust is granted solely to the Trustee, and not to the Credit Providers or STRS;

GRANTING CLAUSE SECOND

All Revenues that may from time to time hereafter be conveyed, assigned, hypothecated, endorsed, pledged, mortgaged, granted or delivered to the Trustee, or held by the Trustee in any Fund or Account (as hereinafter defined) established pursuant to the terms of this Indenture, together with investment earnings thereon, but excluding (a) money held by the Trustee in the Cost of Issuance Fund, the Principal Reserve Fund and the Rebate Fund (each as hereinafter defined) and (b) money collected pursuant to reimbursement or indemnification of the Issuer or the Trustee; and provided further, however, that amounts attributable to a particular Credit Facility are hereby pledged, assigned and granted unto the Trustee only with respect to the one or more Subseries of Bonds for which such Credit Facility was delivered;

GRANTING CLAUSE THIRD

Any and all other property of any name and nature from time to time hereafter by delivery or by writing of any kind pledged or assigned as and for additional security hereunder, by the Issuer or by anyone on its behalf or with its written consent, to the Trustee, which is hereby 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 trusts and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts 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 described herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, 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 into the Debt Service Fund as required hereunder or shall provide, as permitted by Article XII hereof, for the payment thereof, and shall have remitted to the Credit Providers all amounts, rights and interests in the Trust Estate as shall be owed to them, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then this

Indenture and the rights hereby granted shall cease, terminate and be void, otherwise this Indenture is to be and remain in full force and effect.

Subject to the provisions of this Indenture, the Trustee hereby acknowledges, approves, accepts and agrees to the terms, conditions, appointments and agencies of the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement and the Regulatory Agreement as they relate to it and its participation in the transactions contemplated thereby.

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 the Revenues hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Registered Owners from time to time of the Bonds, as follows:

ARTICLE I
DEFINITIONS: INTERPRETATION:
INDENTURE TO CONSTITUTE CONTRACT

Section 101. Definitions.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) This "Indenture" means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this Indenture to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words "herein," "hereof," "hereto," "hereby" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in effect from time to time.

(5) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent," or similar action hereunder by the Issuer must, unless the form thereof is specifically provided, be in writing signed by a duly authorized officer or agent of the Issuer.

(6) A reference to any gender is deemed to include another gender, if appropriate.

(b) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

“Account” means any one or more of the separate special trust accounts created by Article III, and includes any subaccount or subaccounts included in such account.

“Act” means, collectively, the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, each as amended.

“Act of Bankruptcy of Credit Provider” means written notice to the Trustee that the Credit Provider has been closed by reason of its inability to pay its depositors or has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that insolvency, reorganization or liquidation proceedings (or similar proceedings) have been instituted by or against the Credit Provider; provided, that no Act of Bankruptcy of Credit Provider shall have occurred in the event and so long as the obligations of such Credit Provider under the applicable Credit Facility have been and continue to be assumed by another institution appointed by a regulatory agency having appropriate jurisdiction.

“Administrative Agent” means the financial institution or other Person appointed as Administrative Agent pursuant to Section 316 hereof.

“Alternate Credit Facility” means a credit facility other than a Letter of Credit, including a policy of bond insurance, guaranty, surety bond, standby bond purchase agreement or other agreement, or any combination thereof that provides security for the payment of the principal of and interest on the Bonds when the same become due and the Purchase Price of tendered Bonds while at a Variable Rate, a Flexible Rate or a Term Rate, as applicable.

“Alternate Rate” means the Fixed Rate, Term Rate, Flexible Rate, Weekly Rate, Daily Rate or Index Rate other than the interest rate on the Bonds then in effect.

“Approved Transferee” means (1) a “qualified institutional buyer” (“QIB”) as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof (the “Securities Act”) that is a financial institution or commercial bank having capital and surplus of \$5,000,000,000 or more, (2) an affiliate of an entity described in clause (1), or (3) a trust or custodial arrangement established an entity described in clause (1) or (2), the beneficial interests in which will be owned only by QIBs.

“Authorized Denomination” means (i) with respect to the Bonds prior to the Fixed Rate Conversion Date, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 within a single maturity, and (ii) with respect to the Bonds after the Fixed Rate Conversion Date, \$5,000 or any integral multiple thereof within a single maturity; provided, that if Section 212(b) of this Indenture applies to the Bond, the Authorized Denomination shall comply with said section.

“Bank” means either (i) Bank of America, N.A., as issuer of the Letters of Credit, and its successors, (ii) upon the issuance of Substitute Letters of Credit, the issuer of such Substitute Letters of Credit, or (iii) the Administrative Agent.

“Bank Bonds” means (i) Bonds owned by a Credit Provider as a result of an unreimbursed liquidity draw on the applicable Credit Facility or (ii) Pledged Bonds.

“Beneficial Owner” means the beneficial owner of all or a portion of the Bonds while the Bonds are in fully immobilized form.

“Bond Closing” means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the initial purchasers thereof.

“Bond Counsel” means Jones Hall, A Professional Law Corporation, or an attorney at law or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, who is or are selected by the Issuer and is or are duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Intercreditor Agreement” means, initially, that certain Intercreditor Agreement, dated as of July 1, 2017, by and among the Trustee, the Issuer and Bank of America, N.A., as Administrative Agent, or any replacement intercreditor agreement delivered in accordance with this Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, relating to the Bonds and dated _____, 2017, by and among Citigroup Global Markets Inc., the Issuer and the Borrower.

“Bond Register” means the registration books required to be maintained pursuant to Section 203.

“Bond Registrar” means the party so appointed pursuant to Section 203.

“Bond Year” means, with respect to an issue of Bonds, each one-year period that ends at the close of business on the day in the calendar year that is selected by Borrower. The first and last Bond Years may be short periods. If no day is selected by Borrower before the earlier of the final maturity of an issue of Bonds or the date that is five years after the date of delivery of such issue of Bonds, each Bond Year ends on each anniversary of the closing date for such issue of Bonds and on the final maturity of such issue of Bonds.

“Bondowner” means the Registered Owner of any Bond.

“Bonds” means the Issuer’s Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B, authorized to be issued under this Indenture in the aggregate principal amount of \$[_____], initially consisting of three subseries designated as (i) 2017 Series B-1 in the principal amount of \$[_____], (ii) 2017 Series B-2 in the principal amount of \$[_____], and (iii) 2017 Series B-3 (Taxable) in the principal amount of \$[_____].

“Borrower” means Related/Mariposa Development Co., L.P., a [_____] limited partnership, and its successors and assigns.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday, a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee is located are authorized by law or executive order to remain closed, or a day on which the office of a Credit Provider in which the applicable Credit Facility is issued is authorized or permitted to close, or a day on which The Depository Trust Company is closed for business.

“Code” means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or Internal Revenue Service, to the extent applicable to the Bonds. All references herein to sections, paragraphs or other subdivisions of the Code or the regulations promulgated thereunder shall be deemed to be references to correlative provisions of any predecessor or successor code or regulations promulgated thereunder.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the date of this Indenture, by and between the Borrower and the Trustee, in its capacity as dissemination agent.

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

“Conversion” means establishment of the interest rate on the Bonds at a Daily Rate, Weekly Rate, Flexible Rate, Term Rate or the Fixed Rate pursuant to Section 202.

“Conversion Date” means the effective date of the change in the interest rate borne by the Bonds to a Daily Rate, Weekly Rate, Flexible Rate, Term Rate or the Fixed Rate, as established pursuant to Section 202.

“Cost of Issuance Fund” means such Fund created by Section 302.

“Counsel” means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Issuer or the Borrower or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

“Coverage Amount” means the principal amount of Outstanding Bonds (excluding Bank Bonds) plus: (i) for Bonds bearing interest at Daily Rates or Weekly Rates, [39] days of interest (computed on the basis of a [365-day] year) at the Maximum Interest Rate on the Outstanding Bonds (excluding Bank Bonds); or (ii) for Bonds bearing interest at Flexible Rates, Term Rates or Fixed Rates, such amount of interest as may be necessary to satisfy the requirements of Section 212 hereof.

“Credit Agreements” means the Credit Facilities and the agreements pursuant to which the Credit Facilities are issued, including the Reimbursement Agreements.

“Credit Facilities” means the Letters of Credit, any Substitute Letters of Credit or any other Alternate Credit Facilities.

“Credit Provider” means the provider or providers of a Credit Facility then in effect, including the Bank, and the Administrative Agent appointed thereby.

“Credit Provider Deed of Trust” means the [Subordinate Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing] executed by the Borrower, as grantor, co-equally for the benefit of the Credit Providers of each Letter of Credit.

“Daily Rate” means the interest rate on the Bonds as determined by the Remarketing Agent pursuant to Section 202(e)(i), which will be borne by the Bonds upon a Daily Rate Conversion Date and will be in effect until a Weekly Rate Conversion Date, Flexible Rate Conversion Date, Term Rate Conversion Date, Index Rate Conversion Date or Fixed Rate Conversion Date.

“Daily Rate Bond” means any Bond during a period in which such Bond bears interest at a Daily Rate.

“Daily Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries from a Term Rate, Flexible Rate, Weekly Rate or Index Rate to a Daily Rate.

“Daily Rate Determination Date” means the date for setting the Daily Rate in accordance with Section 202(e)(i).

“Daily Rate Period” means any period during which the Bonds of a Subseries bear interest at a Daily Rate.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation.

“Debt Service Account” means an Account created within the Debt Service Fund pursuant to Section 302 for the payment of the principal of or interest on a particular Subseries of Bonds.

“Debt Service Fund” means such Fund created by Section 302.

“Deed of Trust” means the Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, executed by the Borrower, as grantor, for the benefit of the Trustee.

“Default” or “Event of Default” means an occurrence or event specified in and defined by Section 801.

“Demand Date” means the Business Day on which any Bond is required to be purchased pursuant to optional or mandatory tender provisions hereof.

“Determination Date” means the Daily Rate Determination Date, Weekly Rate Determination Date, Flexible Rate Determination Date, Term Rate Determination Date or the Fixed Rate Determination Date, as appropriate.

“Determination of Taxability” means written notice to the Trustee and the Remarketing Agent of (i) failure to make any amendment to the Indenture, the Loan Agreement, Regulatory Agreement or the Tax Certificate or to take any other action that, in the written opinion of Bond Counsel, is necessary to preserve the exclusion for purpose of federal income taxation from gross income of interest on any Tax-Exempt Bond, (ii) a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in either case to the effect that the interest on any Tax-Exempt Bond is includable for federal income tax purposes in the gross incomes of the recipients thereof or (iii) the enactment of Federal legislation that, in the written opinion of Bond Counsel, would cause the interest on the Tax-Exempt Bonds to be includable for federal income tax purposes in the gross incomes of the recipients thereof. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such appeal or action has expired.

“Determination of Unenforceability” means written notice to the Trustee of a final judgment or order of a court of original or appellate jurisdiction to the effect that a Credit Facility is unenforceable or any payment thereunder is to be withheld, enjoined, restricted, restrained or prohibited other than by reason of any action taken by the Borrower.

“DTC” means The Depository Trust Company, New York, New York.

“Electronic Notice” means delivery of notice in Word format or a Portable Document Format (PDF) by electronic mail to the electronic mail addresses listed in Section 1304 hereof; provided, that if a sender receives notice that the electronic mail is undeliverable, notice must be sent as otherwise required by Section 1304 hereof.

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

“Fixed Rate” means the interest rate per annum borne by the Bonds from and after the Fixed Rate Conversion Date, determined by the Remarketing Agent in accordance with Section 202(g).

“Fixed Rate Bond” means any Bond during a period in which such Bond bears interest at a Fixed Rate.

“Fixed Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to the Fixed Rate from a Daily Rate, a Weekly Rate, a Flexible Rate, a Term Rate or an Index Rate.

“Fixed Rate Determination Date” means the date selected by the Remarketing Agent for setting the Fixed Rate on the Bonds of a Subseries, which shall be a day no later than the Business Day preceding the Fixed Rate Conversion Date.

“Fixed Rate Period” means the period beginning on the Fixed Rate Conversion Date and ending on the maturity date of the Bonds of a Subseries.

“Flexible Rate” means the interest rate per annum borne by the Bonds of a Subseries from and after the Flexible Rate Conversion Date, determined by the Remarketing Agent in accordance with Section 202(e)(iv).

“Flexible Rate Bond” means any Bond during a period in which such Bond bears interest at a Flexible Rate.

“Flexible Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to a Flexible Rate from a Daily Rate, a Weekly Rate, a Term Rate, an Index Rate or another Flexible Rate.

“Flexible Rate Determination Date” means the first Business Day of each Flexible Rate Period.

“Flexible Rate Period” means the Interest Period beginning on a Flexible Rate Conversion Date and ending on the last day of such Interest Period, as selected pursuant to Section 202(e)(iv) hereof.

“Fund” means any one or more of the separate special trust funds created by Article III.

“Government Obligations” means noncallable, direct, general obligations of the United States of America (including the obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations unconditionally guaranteed as to the full and timely payment of principal and interest by the full faith and credit of the United States of America, but shall not include unit investment trusts or mutual funds invested in Government Obligations unless such trusts or funds are rated AAAM or AAAM-G by each Rating Agency. U.S. Treasury STRIPS and REFCORP STRIPS (by the Federal Reserve Bank of New York) are Government Obligations only with respect to such interest payments.

“Guaranteed Payment” means any payment under a Credit Facility to the Trustee for the redemption of Bonds pursuant to Section 602(a)(iii) or 602(a)(viii) as may be required under a Credit Agreement. [The initial Credit Agreements do not provide for any Guaranteed Payments.]

“Indenture Act” means the Trust Indenture Act of 1939 (Act of August 3, 1939, 53 Stat. 1149, 15 U.S.C., Sections 77aaa-77bbbb, as amended).

“Index Maturity” has the meaning given in Section 202(e)(vi).

“Index Rate” has the meaning given in Section 202(e)(vi), which will be borne by the Bonds upon an Index Rate Conversion Date and will be in effect until a Daily Rate Conversion Date, Weekly Rate Conversion Date, Flexible Rate Conversion Date, Term Rate Conversion Date or Fixed Rate Conversion Date.

“Index Rate Bond” means any Bond during a period in which such Bond bears interest at an Index Rate.

“Index Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to the Index Rate from a Daily Rate, a Weekly Rate, a Flexible Rate or a Term Rate.

“Index Rate Period” means the period beginning on the Index Rate Conversion Date and ending on the maturity date or earlier redemption of the Bonds of a Subseries.

“Initial Interest Rate Mode” means the mode the Bonds are originally sold in, as identified in Section 202(c).

“Interest Payment Date” means (a) for so long as a subseries of Bonds bears interest at a Daily Rate, a Weekly Rate or an Index Rate, the first Business Day of each month, provided that the first Interest Payment Date with respect to the initial Weekly Rate mode on each subseries of the Bonds shall be [_____], 2017, (b) for so long as a subseries of Bonds bears interest at a Flexible Rate, the Business Day immediately following the Interest Period to which such Flexible Rate applies, (c) for so long as a subseries of Bonds bears interest at a Term Rate, July 1 and December 1 of each year, commencing on the first such date following the commencement of the Interest Period to which such Term Rate applies, and the Business Day immediately following the Interest Period to which such Term Rate applies, (d) after the Fixed Rate Conversion Date for a subseries of Bonds, July 1 and December 1 of each year, (e) any other date upon which interest on a subseries of Bonds is due and payable, whether by maturity, acceleration, prior redemption, purchase, Conversion or otherwise, or (f) for Bank Bonds, any date for the payment of interest as provided in the applicable Reimbursement Agreement, notwithstanding the foregoing provisions of this definition.

“Interest Period” means the period of time during which interest payable on an Interest Payment Date shall accrue, in particular: (a) with respect to Daily Rate Bonds, the period from and including the latest of (i) the Bond Closing, (ii) the Daily Rate Conversion Date, or (iii) if the Bonds are already bearing interest at Daily Rates, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds; (b) with respect to Weekly Rate Bonds, the period from and including the latest of (i) Bond Closing, (ii) the Weekly Rate Conversion Date or (iii) if such Bonds are already bearing interest at Weekly Rates, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds; (c) with respect to Flexible Rate Bonds, the period of up to 270 days from and including the Flexible Rate Conversion Date to but not including the next succeeding Conversion Date (including a Conversion Date for a new Flexible Rate Period); (d) with respect to Term Rate Bonds, the period from and including the later of (i) the Term Rate Conversion Date or (ii) if such Bonds are already bearing interest at a Term Rate, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds; (e) with respect to Fixed Rate Bonds, the period from and including the later of (i) the Fixed Rate Conversion Date or (ii) if such Bonds are already bearing interest at Fixed Rates, an Interest Payment Date for such Bonds, to but not including the next succeeding

Interest Payment Date for such Bonds; and (f) with respect to Index Rate Bonds, the period from and including the latest of (i) the Index Rate Conversion Date, or (ii) if the Bonds are already bearing interest at an Index Rate, an Interest Payment Date for such Bonds, to but not including the next succeeding Interest Payment Date for such Bonds.

“Issuance Costs” means all costs and expenses of issuance of the Bonds, including, but not limited to:

- (a) underwriter’s discount or fee;
 - (b) counsel fees and expenses, including bond counsel, underwriter’s counsel, Issuer’s counsel, Borrower’s counsel and Bank counsel, as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds;
 - (c) financial advisor fees and expenses incurred in connection with the issuance of the Bonds;
 - (d) initial fees and expenses of the Trustee, including Trustee counsel fees and expenses, in connection with the issuance of the Bonds;
 - (e) costs of printing the official statement;
 - (f) publication or copying costs associated with the financing proceedings;
- and
- (g) initial fees and expenses, if any, of the Issuer and each Rating Agency.

“Issuer” means the City and County of San Francisco, a California municipal corporation and charter city and county, the issuer of the Bonds hereunder, and its successors and assigns.

“Issuer Fee” means (a) an initial fee equal to 25 basis points (0.25%) of the maximum principal amount of the Bonds, payable on the Bond Closing, plus (b) an annual monitoring fee equal to the greater of (i) 12.5 basis points (0.125%) per annum of the Outstanding principal amount of the Bonds or (ii) \$2,500, payable annually in advance on such anniversary, commencing on the Bond Closing date.

“Letters of Credit” means, collectively, (i) the Series B-1 Letter of Credit and (ii) the Series B-2 & B-3 Letter of Credit.

“LIBOR” has the meaning given in Section 202(e)(vi).

“LIBOR Determination Date” has the meaning given in Section 202(e)(vi).

“Letter of Representations” means the Blanket Issuer Letter of Representations signed by the Issuer and accepted by DTC with respect to the initial immobilization of the Bonds.

“Loan Agreement” means the Loan Agreement, dated as of July 1, 2017, among the Issuer, the Trustee and the Borrower.

“Maximum Interest Rate” for Bonds other than Bank Bonds means ten percent (10%) per year during a period in which interest on the Bonds is at a Variable Rate (computed on the basis

of a 365- or 366-day year, actual number of days elapsed); provided, that the Issuer shall designate a higher rate (which is no higher than the rate used to establish the interest portion of the applicable Credit Facility) than heretofore specified as the Maximum Interest Rate if the Trustee receives: (i) written evidence that the amount of the applicable Credit Facility has been increased to the Coverage Amount, and (ii) an opinion of Bond Counsel addressed to the Trustee, the Issuer and the Remarketing Agent to the effect that the designation will not violate any provision of any law applicable to the Bonds or the Mortgage Loan nor cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes. The maximum interest rate for Bank Bonds will be set forth in the applicable Reimbursement Agreement for any such Bank Bonds.

“Moody’s” means Moody’s Investors Service Inc., its successors and assigns.

“Mortgage Loan” means the mortgage loan made by the Issuer to the Borrower pursuant to the Loan Agreement in an amount equal to the principal amount of the Bonds to provide financing for part of the Qualified Project Costs, other costs of the Project and Issuance Costs.

“Mortgage Loan Documents” means the Loan Agreement, the Tax Certificate, the Regulatory Agreement, the Deed of Trust, the Mortgage Note, the Bond Purchase Agreement, the Remarketing Agreement and the Continuing Disclosure Agreement.

“Mortgage Loan Fund” means the fund of that name created by Section 302.

“Mortgage Note” means the note executed by the Borrower to evidence the Mortgage Loan.

“Net Proceeds” means, when used with reference to the Bonds, the face amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount and proceeds deposited into any reserve fund.

“Outstanding,” “Bonds Outstanding” or “Bonds outstanding,” in connection with the Bonds means, as of the time in question, all Bonds authenticated and delivered under this Indenture, except:

- (a) Bonds theretofore cancelled or required to be cancelled under Section 209;
- (b) Bonds deemed to have been paid in accordance with Article XII; and
- (c) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II or Section 1005.

In determining whether the Owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds that are registered in the Bond Register in the name of the Borrower, the Issuer or any other obligor on the Bonds, or any affiliate of any one of said entities (for the purpose of this definition an “affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person provided that the Trustee shall have received written notice that such Person is an affiliate) shall be disregarded and deemed not to be outstanding hereunder for the purpose of any such determination. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct

the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing. Bonds (in certificated form) so owned, which have been pledged in good faith, may be regarded as Outstanding if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Borrower, the Issuer, or any other obligor on the Bonds, or any affiliate of any of the foregoing. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

“Owner” means the Registered Owner of any Bond.

“Permitted Investments” mean any of the following for the moneys held hereunder then proposed to be invested therein, but only to the extent that such investments are acquired at Fair Market Value:

(i) time or demand deposits in any United States bank or trust company whose obligations are rated in one of the three highest Rating Categories by at least one Rating Agency (provided that no Rating Agency shall maintain a rating below the fourth highest Rating Category), having aggregate capital and surplus of at least \$50,000,000 (including the banking departments of the Trustee and Bank and their affiliates);

(ii) obligations, participations or other instruments of, or issued by, the Federal National Mortgage Association, or issued by a United States agency or a United States government enterprise;

(iii) repurchase agreements fully collateralized by obligations listed in (ii) or (vii) hereof, with institutions rated in one of the three highest Rating Categories of at least one Rating Agency for agreements having a term of one to three years or the two highest Rating Categories of at least one Rating Agency for agreements having a term of more than three years (provided that, in each case, no Rating Agency shall maintain a rating below the fourth highest Rating Category);

(iv) a promissory note or other evidence of indebtedness (and any investment agreement) of a bank or a bank holding company whose obligations are rated in one of the three highest Rating Categories of at least one Rating Agency (provided that no Rating Agency shall maintain a rating below the fourth highest Rating Category);

(v) bonds, notes, certificates of indebtedness or other obligations of a state, an instrumentality or a political subdivision thereof, which obligations have been granted by each Rating Agency a credit rating equal to or better than the rating on the Bonds (but not lower than the third highest Rating Category of each Rating Agency);

(vi) a promissory note or other evidence of indebtedness (and any investment agreement) of a United States branch or agency of a foreign financial institution whose obligations are rated in one of the three highest Rating Categories by at least one Rating Agency (provided that no Rating Agency shall maintain a rating below the fourth highest Rating Category);

(vii) Government Obligations;

(viii) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, having assets of at least \$100,000,000, and having a rating AAAM or AAAM-G by each Rating Agency, including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund; and

(ix) any other investment with the prior written consent of the Administrative Agent.

“Person” means any natural person, firm, partnership, limited liability company, association, corporation, trust or public body.

“Pledged Bonds” means Bonds held in book-entry form, owned by the Borrower as beneficial owner, with a Credit Provider as pledgee as a result of an unreimbursed liquidity draw on the applicable Credit Facility.

“Principal Office” means when used with respect to the Trustee, a corporate trust office of the Trustee, which at the date of this Indenture is located at the address shown in Section 1304 or such other location designated in writing by the Trustee or Bond Registrar.

“Principal Reserve Fund” means the Principal Reserve Fund established by the Trustee pursuant to Section 302 hereof.

“Principal Reserve Account” means an Account created within the Principal Reserve Fund pursuant to Section 302 for a particular Subseries of Bonds.

“Principal Reserve Requirement” means 20% of the original principal amount of the Tax-Exempt Bonds or such other amount specified in writing to the Trustee (i) by the Issuer with the prior written consent of the Administrative Agent, or (ii) by the Administrative Agent; provided any such direction is accompanied by an opinion of Bond Counsel to the effect such change in amount will not adversely affect the tax exempt status of the Tax-Exempt Bonds.

“Principal Reserve Schedule” means, while a Letter of Credit is in effect, the principal reserve schedule, if any, calculated in accordance with the Reimbursement Agreement relating thereto, as the same may be amended from time to time, and while an Alternate Credit Facility is in effect, the principal reserve schedule, if any, calculated in accordance with or attached to the Credit Agreement relating thereto, as the same may be amended from time to time.

“Principal Reserve Schedule Payments” means the payments to be made by the Borrower in accordance with the Principal Reserve Schedule.

“Project” means the facilities identified in Exhibit A to the Loan Agreement, which facilities are to be financed from the proceeds of the Bonds or any payments by the Borrower that are reimbursed by proceeds of the Bonds, and any real property, structures, buildings, fixtures or equipment acquired in substitution for, as a renewal or replacement of, or a modification or improvement to, all or any part of such facilities.

“Purchase Account” means an Account created within the Debt Service Fund pursuant to Section 302 for the payment of the Purchase Price of Bonds of a particular Subseries.

“Purchase Price” means with respect to any Bonds or portion thereof required to be purchased pursuant to this Indenture, the principal amount of such Bonds plus interest accrued thereon to the Demand Date.

“Qualified Portion” means the portion of the Project determined by the Issuer to be eligible to be financed with tax-exempt bonds, as described in the Tax Certificate.

“Qualified Project Costs” means costs paid with respect to the Qualified Portion that meet each of the following requirements: (i) the costs are properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations §1.103-8(a)(1), provided, however, that only such portion of interest accrued during rehabilitation or construction of the Qualified Portion (in the case of rehabilitation, with respect to vacated units only) shall be eligible to be a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all costs of the Qualified Portion; and provided further that interest accruing after the date of completion of the Qualified Portion shall not be a Qualified Project Cost; and provided still further that if any portion of the Qualified Portion is being constructed or rehabilitated by an Affiliate or persons or entities treated as related to the Borrower within the meaning of Sections 1504, 267 and 707 of the Code (whether as a general contractor or a subcontractor), Qualified Project Costs shall include only (A) the actual out-of-pocket costs incurred by such Affiliate in constructing or rehabilitating the Qualified Portion (or any portion thereof), (B) any reasonable fees for supervisory services actually rendered by the Affiliate, and (C) any overhead expenses incurred by the Affiliate which are directly attributable to the work performed on the Qualified Portion, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the rehabilitation or construction of the Qualified Portion or payments received by such Affiliate due to early completion of the Qualified Portion (or any portion thereof); (ii) the costs are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) the costs are paid after the earlier of 60 days prior to the date of a declaration of “official intent” to reimburse costs paid with respect to the Qualified Portion (within the meaning of §1.150-2 of the United States Treasury Regulations) or the date of issue of the Tax-Exempt Bonds, and (iv) if the costs of the Qualified Portion were previously paid and are to be reimbursed with proceeds of the Tax-Exempt Bonds such costs were (A) costs of issuance of the Tax-Exempt Bonds, (B) preliminary capital expenditures (within the meaning of United States Treasury Regulations §1.150-2(f)(2)) with respect to the Qualified Portion (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Qualified Portion that do not exceed twenty percent (20%) of the issue price of the Tax-Exempt Bonds (as defined in United States Treasury Regulations §1.148-1), or (C) were capital expenditures with respect to the Qualified Portion that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Qualified Portion is placed in service (but no later than three (3) years after the expenditure is paid).

“Rating Agencies” means, initially, Moody’s and S&P, and thereafter, any nationally recognized rating agencies then maintaining a rating on the Bonds, and, if any such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Rating Agencies shall be deemed to refer to any other nationally recognized securities rating agency or agencies designated by an Authorized Representative of the Borrower.

“Rating Agency Surveillance Fee” means the annual fee, if any, of the applicable Rating Agency to maintain a rating on the Bonds.

“Rating Category” or “rating category” means, for the long-term ratings of Fitch Ratings (“Fitch”), Moody’s, S&P and their successors, the alphabetical ratings assigned thereby, without regard to numeric or plus or minus modifiers, and for the short-term ratings of such rating agencies, the alpha-numeric ratings assigned thereby, without regard to plus or minus modifiers. Accordingly, as of the date hereof, the highest long-term Rating Category for Fitch and S&P is AAA, and the highest long-term Rating Category for Moody’s is Aaa; the second highest long-term Rating Category for Fitch and S&P includes AA+, AA and AA-, and the second highest long-term Rating Category for Moody’s includes Aa1, Aa2 and Aa3; the third highest long-term Rating Category for Fitch and S&P includes A+, A and A-, and the third highest long-term Rating Category for Moody’s includes A1, A2 and A3; the fourth highest long-term Rating Category for Fitch and S&P includes BBB+, BBB and BBB-, and the fourth highest long-term Rating Category for Moody’s includes Baa1, Baa2 and Baa3.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bonds by the Issuer to the United States of America pursuant to Section 148 of the Code, calculated in accordance with the Tax Certificate.

“Rebate Analyst” means the individual or firm retained by the Issuer to compute the Rebate Amount.

“Rebate Fund” means the Fund of that name established pursuant to Section 302.

“Record Date” means, except for payment of defaulted interest, (a) with respect to Bonds bearing interest at a Daily Rate, Weekly Rate, Flexible Rate or Index Rate, if the Bonds are in noncertificated form, the close of business on the Business Day immediately preceding an Interest Payment Date and, if the Bonds are in certificated form, the fifth Business Day immediately preceding an Interest Payment Date, (b) any Conversion Date and (c) with respect to Bonds bearing Interest at a Term Rate or a Fixed Rate, the fifteenth calendar day of the month preceding an Interest Payment Date. With respect to any payment of defaulted interest, a Special Record Date shall be established by the Trustee in accordance with the provisions of Section 202.

“Reference Banks” has the meaning given in Section 202(e)(vi).

“Registered Owner,” “Owner” or “Bondowner” means the person or persons in whose name or names a Bond shall be registered on books of the Trustee kept for that purpose in accordance with the terms of this Indenture.

“Regulations” means proposed, temporary or permanent regulations promulgated under the Code.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of the date hereof (as supplemented and amended from time to time), with respect to the Project, executed by the Issuer, the Trustee and the Borrower, and recorded in the property records of the county in which the Project is located.

“Reimbursement Agreements” means the agreement or agreements pursuant to which the Letters of Credit are issued by the Bank, dated as of the date hereof, and any subsequent agreement pursuant to which any Substitute Letter of Credit is issued.

“Remarketing Agent” means, with respect to the Bonds or any subseries, the applicable agent or agents, and its successors and assigns appointed in accordance with Sections 401 and 402.

“Remarketing Agreement” means the Remarketing Agreement, dated as of the date hereof, between the Borrower and a Remarketing Agent, and any similar substitute or additional agreement providing for the remarketing of one or more subseries of the Bonds, in each case as supplemented or amended from time to time.

“Required Transferee Representations” means a certificate in the form set forth as Exhibit D to this Indenture, executed by a duly authorized representative of a new Beneficial Owner of a Bond by transfer or remarketing.

“Resolution” means the resolution duly adopted and approved by the Issuer, authorizing the issuance and sale of the Bonds and the execution of this Indenture.

“Revenues” means, for each Subseries of Bonds, the amounts pledged hereunder to the payment of the principal of and interest thereon, including the following: (a) proceeds of draws or payments on the Credit Facility applicable to such Subseries; (b) moneys held in the Funds and Accounts (excluding the Cost of Issuance Fund, the Principal Reserve Fund and the Rebate Fund), together with investment earnings thereon received by the Trustee that the Trustee is authorized to receive, hold and apply pursuant to the terms of this Indenture; and (c) all income, revenues, proceeds, obligations, securities and other amounts received by the Trustee and derived from or in connection with the Mortgage Loan, or the Mortgage Loan Documents, subject to the Bond Intercreditor Agreement, but excluding amounts payable as the Issuer Fee, the Rating Agency Surveillance Fee, the Trustee Fee, Rebate Amount, the fee for the calculation of the Rebate Amount or any amounts collected as indemnification or reimbursements of expenses of the Issuer or Trustee or any other amounts payable or collected in connection with Unassigned Rights. Principal Reserve Schedule Payments shall not constitute Revenues under this Indenture.

“S&P” means S&P Global Ratings, its successors and assigns.

“Sale Proceeds” means, with respect to an issue of Bonds, any amounts actually or constructively received from the sale (or other disposition) of any Bond that is part of the issue, including amounts used to pay underwriters’ discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any Bond that is part of the issue and that is described in Section 1.148-4 of the Regulations.

“Seasoned Funds” means (a) remarketing proceeds received from the Remarketing Agent or any purchaser (other than funds provided by the Borrower, any general partner, member or [guarantor][Is this problematic for STRS] of the Borrower or the Issuer), (b) proceeds of draws on the applicable Letter of Credit or Alternate Credit Facility, (c) proceeds of each subseries of the Bonds received contemporaneously with the issuance and sale of the Bonds (including any Bond proceeds deposited to the Mortgage Loan Fund on the Closing Date), (d) proceeds from the investment or reinvestment of money described in clauses (a), (b) and (c)

above, or (e) proceeds of any refunding bonds or any other funds which, in the written opinion of nationally recognized bankruptcy counsel practicing regularly before Federal Bankruptcy Court, acceptable to the Rating Agency and delivered to the Trustee, are not subject to treatment as a “preference” under Section 547 of the Federal Bankruptcy Code or would be recoverable under Section 550 of the Federal Bankruptcy Code, or similar provisions under any applicable bankruptcy law in the event of a bankruptcy by or against the Issuer or the Borrower or any affiliate of the Borrower.

“Seasoned Funds Account” means the Account of that name authorized to be created within the Debt Service Fund pursuant to Section 306.

“Series B-1 Bonds” means the subseries of Bonds designated as the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-1.

“Series B-2 Bonds” means the subseries of Bonds designated as the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-2.

“Series B-3 Bonds” means the subseries of Bonds designated as the City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-3 (Taxable).

“Series B-1 Letter of Credit” means that certain irrevocable, direct pay Letter of Credit No. [____], issued by the Bank of America, N.A. on the original delivery date of the Series B-1 Bonds, supporting the Series B-1 Bonds, including any extensions or amendments thereof, or any Substitute Letter of Credit meeting the requirements of Section 310 and 313, respectively, delivered in substitution therefor.

“Series B-2 & B-3 Letter of Credit” means that certain irrevocable, direct pay Letter of Credit No. [____], issued by the Bank of America, N.A. on the original delivery date of the Series B-2 Bonds and the Series B-3 Bonds, supporting such Bonds, including any extensions or amendments thereof, or any Substitute Letter of Credit meeting the requirements of Section 310 and 313, respectively, delivered in substitution therefor.

“SIFMA Swap Index” means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association) (“SIFMA”) or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Trustee and effective from such date.

“Special Purchase Bonds” has the meaning given in Section 608(a).

“Special Purchase Date” has the meaning given in Section 608(a).

“Special Record Date” means, with respect to the payment of any defaulted interest on the Bonds, a date fixed by the Trustee pursuant to Section 202.

“State” means the State of California.

“STRS” means the State Teachers Retirement System of Ohio.

“Subseries” or “subseries” means each of the following separately designated groupings of the Bonds: (i) \$[_____] City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-1; (ii) \$[_____] City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-2; and (iii) \$[_____] City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B-3 (Taxable); or any of them, and in each case as the same may be renamed upon a Conversion to a Fixed Rate.

“Substitute Bank” means the issuer of a Substitute Letter of Credit.

“Substitute Letter of Credit” means an irrevocable transferable direct pay letter of credit other than (a) an initial Letter of Credit issued and delivered to the Trustee in accordance with Section 310 and (b) an extension of the expiration date thereof.

“Substitution Date” means the date of substitution of a Credit Facility (including a Letter of Credit) with an Alternate Credit Facility or a Substitute Letter of Credit.

“Supplemental Indenture” means any agreement hereafter authorized and entered into between the Issuer and the Trustee that amends, modifies or supplements and forms a part of this Indenture.

“Tax Certificate” means, collectively the Certificate as to Arbitrage, and the exhibits thereto, dated the date of the Bond Closing, executed by the Issuer and the Borrower, and the Certificate Regarding Use of Proceeds, dated the date of the Bond Closing, executed by the Borrower, relating to the Tax-Exempt Bonds.

“Taxable Bonds” means Bonds the interest on which is not intended to be excluded from gross income for federal income tax purposes, initially consisting of the Series B-3 Bonds.

“Tax-Exempt Bonds” means Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes, initially consisting of the Series B-1 Bonds and the Series B-2 Bonds.

“Tender Notice” means a notice of demand for purchase of Bonds given by any Bondowner pursuant to Section 202(h) hereof.

“Term Rate” means the interest rate per annum borne by the Bonds of a Subseries from and after the Term Rate Conversion Date, determined by the Remarketing Agent in accordance with Section 202(e)(v).

“Term Rate Bond” means any Bond during a period in which such Bond bears interest at a Term Rate.

“Term Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to a Term Rate from a Daily Rate, a Weekly Rate, a Flexible Rate, an Index Rate or another Term Rate.

“Term Rate Determination Date” means the first Business Day of each Term Rate Period.

“Term Rate Period” means the Interest Period beginning on a Term Rate Conversion Date and ending on the last day of such Interest Period, as selected pursuant to Section 202(e)(v) hereof.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture and, with respect to a Subseries of Bonds, the proceeds of drawings under the applicable Credit Facility.

“Trustee” means U.S. Bank National Association, or any successor trustee or co-trustee appointed in accordance with the terms of this Indenture.

“Trustee Fee” means (a) an annual payment of \$[_____] (which includes \$[_____] for the Trustee’s annual fee as dissemination fee under the Continuing Disclosure Agreement), payable on each July 1 in advance (with the first payment accrued through June 30, 2018, to be made on Bond Closing), (b) plus charges, advances, indemnities, costs and expenses (including reasonable attorneys’ or agents’ fees) incurred for services not covered by its annual administration fee performed by the Trustee under this Indenture, the Loan Documents and the Remarketing Agreement.

“Unassigned Rights” shall mean the City’s rights to reimbursement and payment of its fees, costs and expenses, its rights to enforce the Regulatory Agreement, its rights to collect or require payment of amounts due and owing to the federal government as rebate under Sections 5.1 and 6.4 of the Loan Agreement, its rights of access under Section 6.6 thereof, its rights to indemnification under Section 6.8 thereof, its rights to attorneys’ fees under Sections 5.1, 6.8 and 7.4 thereof, its rights to receive notices, reports and other statements and its rights to consent to certain matters, as provided in this Indenture and the Loan Agreement, and the City’s rights, including but not limited to, rights to indemnification, reimbursement and payment of its fees, costs and expenses under the Regulatory Agreement.

“Underwriter” means Citigroup Global Markets Inc.

“Variable Rate” means the Daily Rate or the Weekly Rate borne by the Bonds until Conversion to a Flexible Rate, a Term Rate, an Index Rate or the Fixed Rate, determined in accordance with Section 202(e).

“Variable Rate Determination Date” means either the Daily Rate Determination Date or the Weekly Rate Determination Date.

“Variable Rate Mode,” when used in connection with Bonds, means that such Bonds are bearing interest at either Daily Rates or Weekly Rates, as the case may be.

“Weekly Rate” means the interest rate on the Bonds of a Subseries from the issuance of such Bonds or a Weekly Rate Conversion Date until a Daily Rate Conversion Date, a Flexible Rate Conversion Date, a Term Rate Conversion Date or a Fixed Rate Conversion Date as determined by the Remarketing Agent pursuant to Section 202(e)(ii), or until such Bonds bear interest at an Index Rate.

“Weekly Rate Bond” means any Bond during a period in which such Bond bears interest at a Weekly Rate.

“Weekly Rate Conversion Date” means the effective date of a change in the interest rate borne by the Bonds of a Subseries to a Weekly Rate from a Daily Rate, Flexible Rate, Term Rate or Index Rate.

“Weekly Rate Determination Date” means the date for setting a Weekly Rate in accordance with Section 202(e)(ii), which will be the [day before the Bond Closing or a] Weekly Rate Conversion Date, and thereafter each Tuesday, except that if such Tuesday is not a Business Day, then the next succeeding Business Day.

“Weekly Rate Period” means (except as otherwise provided in Section 202) a period from and including the [Bond Closing or a Weekly Rate Conversion Date through and including the next Tuesday, and thereafter a period from and including each Wednesday through and including the next Tuesday during which the Weekly Rate determined on the Weekly Rate Determination Date will be in effect.

“Wrongful Dishonor” means that, with respect to a Credit Facility, (i) the Credit Provider has failed to honor a properly presented and conforming draw on such Credit Facility and such failure has resulted in an Event of Default under the Indenture, or (ii) the Credit Facility has been rescinded, repudiated or terminated, whether by action of the Credit Provider, operation of law or otherwise.

Such terms as are not defined herein have the meanings assigned to them in the Mortgage Loan Documents.

ARTICLE II THE BONDS

Section 201. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture, except in accordance with this Article. The total principal amount of Bonds that may be issued is hereby expressly limited to \$[_____] except as provided in Section 202, and is further expressly limited by subseries as follows:

- (a) Series B-1 Bonds: \$[_____];
- (b) Series B-2 Bonds: \$[_____]; and
- (c) Series B-3 Bonds (Taxable): \$[_____].

Section 202. Issuance of the Bonds.

(a) Description of Bonds. The Issuer may issue the Bonds following the execution of this Indenture, and the Trustee shall, at the Issuer’s request, authenticate such Bonds and deliver them as specified in that request. No Bonds may be issued under this Indenture in addition to those authorized by Section 201, except Bonds issued on transfer or exchange as provided in Sections 203 or 208, or Bonds issued in replacement of lost, stolen, mutilated or destroyed Bonds pursuant to Section 207 or Bonds issued pursuant to Section 603 or Section 1005.

Until the Fixed Rate Conversion Date, the Bonds shall be designated “City and County of San Francisco Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B,” in the aggregate principal amount of \$[_____], with such further subseries designations as may be selected by the City.

Following the Fixed Rate Conversion Date, the Bonds shall be designated “City and County of San Francisco Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B,” with such further subseries designations as may be selected by the City. Unless the Issuer otherwise directs, the Bonds shall be numbered as determined by the Trustee.

The forms of the Bonds, the Trustee’s certificate of authentication to be endorsed thereon and the form of assignment to be endorsed thereon are to be in substantially the forms set forth in Exhibit A, and hereby made a part hereof, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture or by a Supplemental Indenture. The Bonds may be printed, engraved, or typewritten.

The Bonds shall be issued in Authorized Denominations. The Bonds will mature on July 1, 20[___]. The Bonds shall be dated the date of their initial issuance and delivery, and bear interest payable on each Interest Payment Date at the rate per annum determined from time to time as hereinafter in this Section provided. Each Bond shall bear interest from the date to which interest has been paid next preceding the date of its registration, unless (i) a Bond is registered as of an Interest Payment Date for which interest has been paid or after the Record Date with respect to an Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (ii) a Bond is registered on or before the Record Date for the first Interest Payment Date, in which event it shall bear interest from the date of the first authentication and delivery of the Bonds.

(b) Payment of Bonds. The principal of, premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Except as provided below, the principal of and premium, if any, on each Bond will be payable upon the presentation and surrender of such Bond by its Registered Owner or duly authorized representative, when due, at the Principal Office of the Trustee. Payment of interest on each Bond shall be made to the Registered Owner thereof as specified on the records of the Trustee on the Record Date with respect to such interest payment irrespective of the cancellation of such Bond upon any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date, unless the Issuer shall default in the payment of interest due on such Interest Payment Date. Each interest payment on each Bond shall be paid as provided in the Letter of Representations for so long as the Bonds are held by DTC in uncertificated form and thereafter by wire transfer to an account in the United States designated by such Registered Owner in writing at least 15 days prior to the Interest Payment Date and upon acknowledgment by such Registered Owner of the deduction from such wire of the applicable wire transfer fee, if any such fee is then applicable; provided, that payment of such interest shall be made by Automatic Clearinghouse Transfers at no cost to the Owner in next day funds if such Owner shall have requested in writing payment by such method and shall have provided the Trustee with an account number in a bank within the United States and other necessary information for such purposes at least fifteen (15) days before the applicable Interest Payment Date. In the event of any default in the payment of interest, such defaulted interest shall be payable to the Registered Owner of such Bond on a Special Record Date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to Registered Owners.

During each Interest Period for each interest rate mode, the interest rate for the Bonds shall be determined in accordance with Section 202(e) and (g) and shall be payable on the Interest Payment Date for such Interest Period.

During any Daily Rate Period, the Bonds shall bear interest at the Daily Rate determined as provided in Section 202(e)(i). During any Weekly Rate Period, the Bonds shall bear interest at the Weekly Rate determined as provided in Section 202(e)(ii). Interest on Daily Rate Bonds or Weekly Rate Bonds shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Bonds must be in book-entry form in order to bear interest at Daily Rates.

During any Flexible Rate Period, the Bonds shall bear interest at Flexible Rates determined as provided in Section 202(e)(iv). Interest on Flexible Rate Bonds shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Bonds must be in book-entry form in order to bear interest at Flexible Rates.

During any Term Rate Period, the Bonds shall bear interest at Term Rates determined as provided in Section 202(e)(v). Interest on Term Rate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

During any Fixed Rate Period, the Bonds shall bear interest at a Fixed Rate determined as provided in Section 202(g). Interest on the Fixed Rate Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

During any Index Rate Period, the Index Rate Bonds shall bear interest at a floating rate equal to the Index Rate. Interest on the Index Rate Bonds shall be computed on the basis of a 360-day year for the actual number of days elapsed.

(c) Initial Interest Rate Mode. The initial interest rate determination method in effect with respect to the Bonds shall be the Weekly Rate.

(d) Book-Entry Only. Notwithstanding anything herein to the contrary, the Bonds initially shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations. Neither the Issuer nor the Trustee shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants, the payments by DTC or DTC participants of any amount in respect of principal, redemption price, Purchase Price or interest on the Bonds, any notice which is permitted or required to be given to or by Registered Owners hereunder (except such notice as is required to be given by the Issuer to the Trustee or to DTC), or any consent given or other action taken by DTC as Bondowner.

The Bonds initially shall be issued in denominations equal to the aggregate principal amount of each maturity of each subseries and initially shall be registered in the name of Cede & Co. as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository. For so long as any Bonds are held in fully immobilized form, DTC, its successor or any substitute depository appointed by the Issuer, as applicable, shall be deemed to be the registered owner for all purposes hereunder and all references to registered owners, bondowners, owners or the like shall mean DTC or its nominees and shall not mean the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it;
2. To any substitute depository appointed by the Issuer pursuant to this subsection or such substitute depository's successor; or
3. To any Person as herein provided if the Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the Issuer to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Issuer may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

In the case of any transfer pursuant to clause 1 or 2 of the second preceding paragraph, the Trustee, upon receipt of all outstanding Bonds together with a written request on behalf of the Issuer, shall issue a single new Bond for each maturity of each subseries of Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Issuer.

In the event that DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or the Issuer determines that the beneficial owners of the Bonds should obtain Bond certificates, the ownership of Bonds may be transferred to any Person as herein provided, and the Bonds shall no longer be held in fully immobilized form. The Issuer shall deliver a written request to the Trustee, together with a supply of definitive Bonds, to issue Bonds as herein provided in any Authorized Denomination. Upon receipt of all then Outstanding Bonds by the Trustee, together with a written request on behalf of the Issuer to the Trustee, new Bonds of each subseries shall be issued in such denominations and registered in the names of such Persons as are requested in such a written request.

For so long as Outstanding Bonds are registered in the name of Cede & Co., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Bonds shall be made at the place and in the manner provided in the Letter of Representation.

Notwithstanding any provision herein to the contrary, so long as the Bonds are subject to a system of book-entry-only transfers pursuant to this Section 2.02(d), any requirement for the delivery of Bonds to the Trustee in connection with a mandatory tender or an optional tender will be deemed satisfied upon the transfer, on the registration books of DTC, of the beneficial ownership interests in such Bonds tendered for purchase to the account of the Trustee, or a direct participant acting on behalf of the Trustee.

(e) Determination of Interest Rates and Certain Interest Rate Periods. Unless the interest rate on the Bonds is converted to an Alternate Rate after notice to the Bondholders in accordance herewith and with the Remarketing Agreement, the Bonds shall continue to bear interest at the interest rate determination method then in effect.

(i) During any Daily Rate Period, the Bonds of a Subseries shall bear interest at a Daily Rate determined as provided below:

(A) The Remarketing Agent shall determine the Daily Rate by 10:00 a.m., New York City time, on each Business Day. Each Daily Rate shall be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. The Daily Rate for any date that is not a Business Day shall be the rate established for the next preceding Business Day. The Daily Rate for any date on which the Remarketing Agent fails to set a Daily Rate shall be the rate established for the next preceding Business Day, and such rate shall continue to be the Daily Rate until a new Daily Rate is set, for a period of up to four (4) weeks. Thereafter, the Daily Rate shall be the Maximum Rate for so long as the Remarketing Agent continues to fail to set a Daily Rate. Notwithstanding anything else in this Indenture to the contrary, the Daily Rate shall be the Maximum Rate commencing on the Business Day following any day on which the Bank has failed to honor a properly presented and conforming draw on the applicable Letter of Credit for so long as such failure continues; the Remarketing Agent shall not set rates in this circumstance.

(B) The Remarketing Agent shall notify the Trustee by Electronic Notice of the Daily Rate determined each Business Day upon request by the Trustee, and shall provide a summary thereof on a weekly basis to the Trustee and the Borrower.

(C) The computation of the Daily Rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the Borrower, the Registered Owners and beneficial owners of the Bonds, the Issuer, the Trustee, the Bank and the Remarketing Agent. As long as interest on the Bonds is at a Daily Rate, no new Daily Rate shall become effective within one Business Day prior to an Interest Payment Date.

(D) The Trustee shall be entitled to rely conclusively on the Remarketing Agent with respect to the determination of the Daily Rate.

(ii) During any Weekly Rate Period, the Bonds of a Subseries shall bear interest at a Weekly Rate determined as provided below:

(A) The Remarketing Agent shall set the Weekly Rate at or prior to 4:00 p.m., New York City time, on any Weekly Rate Determination Date. The Weekly Rate for each Weekly Rate Period shall be the minimum rate of interest that, in the opinion of the Remarketing Agent, would be necessary to sell the Bonds on such date in a secondary market transaction at a price equal to the principal amount thereof plus accrued interest, if any; provided, however, that the rate so determined will not exceed the Maximum Interest Rate. If the Remarketing Agent fails to set a Weekly Rate on any Weekly Rate Determination Date, the then existing Weekly Rate shall continue until a new Weekly Rate is set, for a period of up to four (4) weeks. Thereafter, the Weekly Rate shall be the Maximum Rate for so long as the Remarketing Agent continues to fail to set a Weekly Rate. Notwithstanding anything else in this Indenture to the contrary, the Weekly Rate shall be the Maximum Rate commencing on the Weekly Rate Period following any day on which the Bank has failed to honor a properly presented and conforming draw on the applicable Letter of Credit for so long as such failure continues; the Remarketing Agent shall not set rates in this circumstance.

(B) No later than one Business Day succeeding each Weekly Rate Determination Date, the Remarketing Agent shall provide the Trustee and the Borrower with written confirmation by Electronic Notice of the Weekly Rate for such Weekly Rate Period.

(C) The computation of the Weekly Rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the Borrower, the Registered Owners and beneficial owners of the Bonds, the Issuer, the Trustee, the Bank and the Remarketing Agent.

(D) The Trustee shall be entitled to rely conclusively on the Remarketing Agent with respect to the determination of the Weekly Rate.

(iii) Bank Bonds shall bear interest at the rates, and shall be paid on the dates and in the amounts, provided for in the applicable Reimbursement Agreement.

(iv) During any Flexible Rate Period, the Bonds of a Subseries shall bear interest at a Flexible Rate, The Flexible Rate shall be computed by the Remarketing Agent on the Flexible Rate Determination Date as described below:

(A) The Flexible Rate with respect to any particular Bond shall be the lowest interest rate, not exceeding the Maximum Rate, which, in the determination of the Remarketing Agent as of the date of determination and under prevailing market conditions, would result as nearly as practicable in the market price for such Bond on the Flexible Rate Conversion Date (or subsequent Conversion Date, as the case may be) being one hundred percent (100%) of the principal amount thereof given the applicable Flexible Rate Period for such Bond, such interest rate to be determined as follows. The Remarketing Agent shall determine the Flexible Rate not later than 1:00 p.m., New York City time, on the first Business Day of the Flexible Rate Period. The Flexible Rate shall be communicated immediately by the Remarketing Agent by Electronic Notice, to the Trustee, the applicable Credit Provider, the Borrower and the Issuer, such communication to be received not later than 1:00 p.m., New York City time, on the day such Flexible Rate is determined.

(B) Each Flexible Rate Period is the period commencing on the Flexible Rate Conversion Date and ending not more than 270 days thereafter, selected by the Remarketing Agent as the Flexible Rate Period with respect to such Bond after consultation with the Borrower, if required by the Remarketing Agreement; provided that any Flexible Rate Period shall be selected such that the Conversion Date occurring on the day immediately following the last day of such Flexible Rate Period shall be a Business Day. On the Conversion Date immediately following the end of the preceding Flexible Rate Period with respect to any particular Bond, the interest rate on such Bond shall be converted to a new Flexible Rate for a new Flexible Rate Period determined as provided herein, unless the Borrower shall elect to convert such Bond to a Daily Rate, a Weekly Rate, a Term Rate, an Index Rate or to the Fixed Rate pursuant to the provisions of the Indenture. Notwithstanding the foregoing, the Remarketing Agent may not select a Flexible Rate Period for a particular Bond longer than the time remaining to the earlier of (i) the remaining term of the applicable Credit Facility and (ii) the maturity of such Bond.

(C) If for any reason the position of the Remarketing Agent is vacant, or if the Remarketing Agent fails in the performance of its duty to determine the Flexible Rate for any Flexible Rate Period or the Flexible Rate is held to be invalid or unenforceable by a court of law, as set forth in a written notice from the Corporation to the Trustee, such Flexible

Rate Period shall convert to a one (1) day period. The Flexible Rate for such Flexible Rate Period shall be determined by the Trustee and (i) for the Tax-Exempt Bonds, shall be one hundred percent (100%) of the SIFMA Swap Index published in The Bond Buyer or otherwise made available to the Trustee for the immediately preceding Flexible Rate Period, or if such index is no longer available, or no such index was so made available for the immediately preceding Flexible Rate Period, seventy percent (70%) of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal or The Bond Buyer on the day the Flexible Rate would otherwise be determined as provided herein for such Flexible Rate Period, and (ii) for the Taxable Bonds, shall be one hundred percent (100%) of the interest rate on 30-day high grade unsecured commercial paper notes sold through dealers by major corporations as reported in The Wall Street Journal or The Bond Buyer on the day the Flexible Rate would otherwise be determined as provided herein for such Flexible Rate Period. Notwithstanding the foregoing, if the applicable Credit Provider fails to honor a properly presented and conforming draw under its Credit Facility to pay the Purchase Price for any Flexible Rate Bond tendered pursuant to Section 202(f), Section 310, Section 313 or Section 314 and not remarketed, the interest rate on all such Bonds shall be the Maximum Rate.

(D) Any determination by the Remarketing Agent (or, if the Remarketing Agent fails to so determine, then by the Trustee) of any interest rate pursuant to this Section 202(e)(iv) shall be conclusive and binding upon the Trustee, the Remarketing Agent, the Issuer, the Borrower, the applicable Credit Provider and the owners of the Bonds.

(v) During any Term Rate Period, the Bonds of a Subseries shall bear interest at a Term Rate, The Term Rate shall be computed by the Remarketing Agent on the Term Rate Determination Date as described below:

(A) The Term Rate for each Subseries of Term Rate Bonds and maturity thereof shall be the lowest interest rate, not exceeding the Maximum Rate, which, in the determination of the Remarketing Agent as of the date of determination and under prevailing market conditions, would result as nearly as practicable in the market price for such Bonds of such maturity on the Term Rate Conversion Date being one hundred percent (100%) of the principal amount thereof, such interest rate to be determined as follows. The Remarketing Agent shall determine the Term Rate for each Subseries of Term Rate Bonds and maturity thereof not later than 12:00 p.m., New York City time, on the Business Day immediately preceding the Term Rate Conversion Date and such determination shall be conclusive and binding upon the Trustee, the Issuer, the Borrower, the applicable Credit Provider, the Remarketing Agent and the owners of such Bonds. The Term Rate for each Subseries of Term Rate Bonds and maturity thereof shall be communicated immediately by the Remarketing Agent by Electronic Notice, to the Trustee, the applicable Credit Provider, the Borrower and the Issuer, such communication to be received not later than 4:00 p.m., New York City time, on the day such Term Rate is determined.

(B) No later than seven calendar days succeeding each Term Rate Determination Date, the Remarketing Agent shall provide the Trustee, the applicable Credit Provider, the Borrower and the Issuer with written confirmation by email of the Term Rate for such Term Rate Period.

(C) The Term Rate Period is the period commencing on the Term Rate Conversion Date and ending on the day preceding (i) the six (6) month anniversary thereof or (ii) such later anniversary as corresponds to the integral multiple of six (6) months

selected by the Borrower, with the prior written consent of the applicable Credit Provider, as the Term Rate Period. Subsequent Term Rate Periods of six (6) months or such integral multiples of six (6) months as may be designated by the Borrower, with the approval of the applicable Credit Provider, shall commence on such anniversary of the Term Rate Start Date following the end of the preceding Term Rate Period (each such anniversary a "Term Rate Conversion Date"), unless the interest rate on the Bonds of such subseries shall be converted to a Daily Rate, Weekly Rate, Flexible Rate, Index Rate or Fixed Rate pursuant to the provisions of the Indenture or such Bonds mature or are redeemed in whole on such date. Notwithstanding the foregoing, the Borrower may not select a Term Rate Period longer than the time remaining to the earlier of (i) the remaining term of the applicable Credit Facility or (ii) the maturity of the applicable Bond (other than a Bond maturing on or before the Term Rate Start Date with respect to such Term Rate Period).

(D) With respect to the Bonds of a subseries and maturity thereof, if for any reason during any Term Rate Period the Term Rate for such Bonds of such maturity cannot be established or is held to be invalid or unenforceable by a court of law, the interest rate on such Bonds of such maturity shall be converted to the Weekly Rate determined by the Trustee and shall be one hundred percent (100%) of the most recent SIFMA Swap Index theretofore published in *The Bond Buyer* or otherwise made available to the Trustee. Notwithstanding the foregoing, if a Credit Provider fails to honor a properly presented and conforming draw under the applicable Credit Facility to pay the Purchase Price for any Term Rate Bond tendered pursuant to Section 202(f), Section 310, Section 313 or Section 314 of this Indenture and not remarketed, the interest rate on all such Bonds shall be the Maximum Rate.

(E) Any notice to the Trustee by the Remarketing Agent of the Term Rate as contemplated by the foregoing subsection (B) of this Section and any determination of any interest rate pursuant to subsection (D) of this Section shall be conclusive and binding upon the Trustee, the Remarketing Agent, the Issuer, the Mortgagor, the applicable Credit Provider and the owners of the applicable Bonds.

(vi) The Index Rate shall be computed by the Trustee as described below.

(A) Index Rate Bonds shall bear interest at the floating rate (the "Index Rate") described herein from the Conversion Date until the earliest to occur of (i) the Conversion of such Bonds to another interest rate determination method or to a Fixed Rate, (ii) the redemption of such Bonds, or (iii) the maturity date of such Bonds.

(B) The Index Rate shall be determined on each LIBOR Determination Date by the Trustee for the period commencing on the immediately succeeding Thursday through and including the following Wednesday, which is equal to seventy percent (70%) of LIBOR, plus one and one-tenth percent (1.10%), such sum to be rounded to five decimal places; provided, however, that in no event shall the Index Rate exceed the Maximum Interest Rate. "LIBOR Determination Date" means the second business day preceding each Thursday of each week (for the purpose of calculating LIBOR, a "business day" is any day on which banks in London and New York City are open for the transaction of international business). "LIBOR" means the London interbank offered rate as now administered by ICE Benchmark Administration Limited ("ICE") for deposits in U.S. dollars having a maturity of one month commencing on the LIBOR Determination Date (the "Index Maturity"), which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on such LIBOR Determination Date. If such rate does not appear on the Reuters Screen LIBOR01 Page, the

rate for that day will be determined on the basis of the rates at which deposits in U.S. dollars, having the Index Maturity and in a principal amount of not less than U.S. \$1,000,000, are offered at approximately 11:00 a.m., London time, on such LIBOR Determination Date to prime banks in the London interbank market by the Reference Banks. The Trustee will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that day will be the arithmetic mean of the quotations. If fewer than two quotations are provided, the rate for that day will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Trustee, at approximately 11:00 a.m., New York City time, on such LIBOR Determination Date for loans in U.S. dollars to leading European banks having the Index Maturity and in a principal amount equal to an amount of not less than U.S. \$1,000,000. Notwithstanding the foregoing, if LIBOR on any LIBOR Determination Date would be less than zero percent (0.0%), then LIBOR on such LIBOR Determination Date shall be deemed to be zero percent (0.0%). "Reference Banks" means four major banks in the London interbank market that are selected by the Trustee. [Add flexibility for other indices, e.g. SIFMA, and other spreads to the index]

(C) No later than the close of business on the second Business Day immediately following each LIBOR Determination Date, the Trustee shall provide the Issuer and the Borrower, with written confirmation by Electronic Notice of the Index Rate determined on such LIBOR Determination Date.

(D) The computation of the Index Rate by the Trustee shall (in the absence of manifest error) be conclusive and binding on the Issuer, the Borrower, the Registered Owners and the Trustee.

(f) Conversion. The rate of interest on one or more whole subseries of the Bonds may be converted (i) to a Variable Rate from a Flexible Rate, Term Rate, Index Rate or another Variable Rate, (ii) to a Flexible Rate from a Variable Rate, Term Rate, Index Rate or another Flexible Rate, (iii) to a Term Rate from a Variable Rate, Flexible Rate, Index Rate or another Term Rate, (iv) to an Index Rate from a Variable Rate, Flexible Rate or a Term Rate, or (v) to a Fixed Rate, from a Variable Rate, Flexible Rate, Index Rate or a Term Rate, all in accordance with the procedures set forth in this paragraph (f). The rate of interest may be established at a Weekly Rate from a Daily Rate in accordance with Section 202(e)(ii) or at a Daily Rate from a Weekly Rate in accordance with Section 202(e)(i) on any Interest Payment Date pursuant to the procedures set forth in this paragraph (f); provided that a Conversion from one Variable Rate Mode to another may not occur more often than four times a calendar year; and provided further that any Conversion to the Daily Rate requires the prior written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of the Bonds.

(i) Preconditions to Conversion. To effect Conversion of Bonds, the Borrower shall deliver a written notice to the Trustee, the Issuer, the Remarketing Agent, and the applicable Credit Provider electing to have the interest rate on such Bonds converted, and specifying the Conversion Date, which shall be not less than 35 calendar days after such notice is received by such parties for conversion. Notice of a Conversion must be accompanied by (A) except in the case of a Conversion from one Flexible Rate to another Flexible Rate, a form of opinion of Bond Counsel, addressed to the Issuer, Trustee and the Remarketing Agent, to the effect that Conversion in accordance with the provisions hereof will not adversely affect the exemption from federal income taxation of interest on the Tax-Exempt Bonds, (B) upon Conversion to a Variable Rate, written approval of the Conversion by a Credit Provider accompanied by an irrevocable commitment for the issuance of a Substitute Letter of Credit for

such Bonds, satisfying the requirements of Section 310, to be in effect upon and after Conversion, which commitment states that the Substitute Letter of Credit shall be in the Coverage Amount, together with accompanying documentation required by Section 310; (C) upon Conversion to the Daily Rate, written concurrence of the Remarketing Agent that such a Conversion to the Daily Rate would not jeopardize the remarketing of such Bonds; (D) an opinion of Bond Counsel to the effect that the provisions of Section 6.18 of the Loan Agreement regarding continuing disclosure have been met; (E) upon Conversion to an Index Rate, (i) written approval of the Conversion by a Credit Provider accompanied by an irrevocable commitment for the issuance of a Credit Facility for such Bonds, satisfying the requirements of Section 310 or Section 313, to be in effect upon and after Conversion, which commitment states that the Credit Facility shall provide for a long-term enhanced rating in at least the third-highest Rating Category of at least one Rating Agency, together with accompanying documentation required by Section 310 or Section 313, or (ii) a commitment from the purchaser of such Bonds upon Conversion, in form satisfactory to the Issuer, demonstrating that the purchase of such Bonds upon Conversion will meet the requirements of Section 212 hereof; (F) a certification that the provisions of Section 212 hereof will be satisfied upon Conversion; and (G) a check or wire transfer to the Trustee in the amount, if any, estimated by the Remarketing Agent, to pay all costs associated with the Conversion (excluding underwriter costs and fees to remarket such Bonds but including the costs and applicable fees of the Trustee and the Issuer). Such check or wire transfer shall be deposited with the Trustee in the Cost of Issuance Fund. The Remarketing Agent shall specify the Determination Date on which a Term Rate or the Fixed Rate will be determined by the Remarketing Agent. The Trustee shall notify DTC of any Conversion among Variable Rate Modes or the Flexible Rate Mode no later than 15 days prior to the anticipated Conversion. Bonds must be in book-entry form in order to bear interest at Daily Rates or Flexible Rates. [Citi: does trustee need to notify DTC in advance of conversion to index mode? Do bonds need to be in book entry form to bear interest in index mode?]

(ii) Mandatory Tender. The Bonds of a subseries are subject to mandatory tender on each Conversion Date for such subseries. The Trustee shall give notice of the Conversion Date to the Registered Owners of the Bonds of such subseries, in the same manner that notices of redemption are given, not less than 10 calendar days prior to the Conversion Date, which notice shall (1) specify the Conversion Date; (2) state that from and after the Conversion Date the Bonds of such subseries held by that Registered Owner will cease to bear interest; and (3) state that with respect to a Conversion Date such Bonds are subject to mandatory tender on the Conversion Date for purchase at the Purchase Price and that any such Bonds not delivered to the Trustee on the Conversion Date will be deemed to have been delivered on such Conversion Date and shall be available for purchase. Any such Bond not tendered for purchase on the Conversion Date shall be deemed to have been tendered for purchase, and shall cease to accrue interest on the Conversion Date. Notwithstanding the foregoing, no notice of mandatory tender upon a Conversion shall be given if the Conversion Date is also a Substitution Date.

The Trustee shall make appropriate notation on the registration record of any Bond deemed to have been delivered and purchased, and shall give notice by mail to the Registered Owner of each Bond deemed to have been delivered that the Bond in the possession of such Registered Owner shall cease to accrue interest on the Conversion Date. The Purchase Price of any Bond deemed to have been tendered as provided above shall be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Conversion Date such Bond in the possession of such Registered Owner shall not continue to accrue interest. The Trustee may authenticate a substitute Bond or Bonds of appropriate denominations in lieu of such Bond deemed to have

been delivered, and in an aggregate principal amount equal to the principal amount of the Bond deemed to have been delivered, and shall register such substitute Bond or Bonds in the name of any purchaser designated in writing by the Remarketing Agent. Any Bond tendered pursuant to the provisions of Section 202 from the date notice of Conversion is given through the Conversion Date, or deemed to have been so tendered as described in the next preceding paragraph, shall not be remarketed except to a purchaser who has received notice prior to such purchase of Conversion to the Daily Rate, Weekly Rate, Flexible Rate, Term Rate, Index Rate or Fixed Rate, as the case may be, on the Conversion Date.

Upon a Fixed Rate Conversion, the Trustee and the Issuer shall cause to be prepared, at the expense of the Borrower, new Bonds in the form set forth in Exhibit A hereto. Any such Bonds shall be executed and authenticated as provided in Section 203, and shall be delivered to Bondowners in accordance with written instructions of the Remarketing Agent.

(g) Interest After Conversion to a Fixed Rate. From and after Conversion to a Fixed Rate, the Bonds so converted will bear interest at a Fixed Rate, payable on July 1 and December 1 of each year, commencing on the Interest Payment Date next following the Fixed Rate Conversion Date, computed on the basis of a 360-day year of twelve 30-day months. The Fixed Rate determined by the Remarketing Agent on the Fixed Rate Determination Date shall be that rate or rates which, in the judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, would be required, but would not exceed the rate or rates which would be required, to be borne by such Bonds in order for the market value of the Bonds on such date, priced to the maturity date of such Bonds, to be 100% of the principal amount thereof (disregarding accrued interest). The Fixed Rate Bonds will pay principal on each July 1 and December 1 until maturity (calculated to provide level debt service) in the form of serial maturities or mandatory sinking fund redemptions of term Bonds in order to achieve the lowest interest cost, as determined by the Remarketing Agent.

The determination of the Fixed Rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the Registered Owners and beneficial owners of the Bonds, the Issuer, the Borrower, the applicable Credit Provider, the Trustee and the Remarketing Agent. The Remarketing Agent shall notify the Trustee, the Borrower and the applicable Credit Provider of the Fixed Rate by fax, Electronic Notice or other written communication on the day the Fixed Rate is determined. The Trustee shall, upon request of any Bondowner, notify such Bondowner of the Fixed Rate to be in effect on and after the Fixed Rate Conversion Date.

The Trustee shall be entitled to rely conclusively on the Remarketing Agent with respect to the determination of the Fixed Rate.

(h) Demand for Purchase.

(i) Daily Rate Bonds shall be purchased in any Authorized Denomination (so long as any untendered portion is also in an Authorized Denomination) on any Business Day, at the option of the Owner (or Beneficial Owner, if such Bonds are in fully immobilized form) thereof, at the Purchase Price thereof (payable in immediately available funds at the Principal Office of the Trustee), if the Owner (or Beneficial Owner) thereof:

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to [11:00], New York City time, on such Business Day by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent

and the Trustee stating the Owner's (or Beneficial Owner's) irrevocable and unconditional election to tender such Daily Rate Bond on such Business Day (the "Demand Date"). Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP number of such Daily Rate Bonds to be tendered and, if delivered by the beneficial owner of the Daily Rate Bond, must be accompanied by an "SDFS Deliver Order" entered at DTC before or simultaneously with the notice; and

(B) if such Bonds are in certificated form, delivers such Daily Rate Bond, together with any applicable due bills, to the Trustee at or prior to [11:00 a.m.], New York City time, on such Business Day with all necessary endorsements.

(ii) Weekly Rate Bonds shall be purchased in any Authorized Denomination (so long as any untendered portion is also in an Authorized Denomination) at the option of the Owner (or Beneficial Owner if such Bonds are in fully immobilized form) thereof at the Purchase Price thereof (payable in immediately available funds at the Principal Office of the Trustee), if the Owner (or Beneficial Owner) thereof:

(A) gives irrevocable notice to the Remarketing Agent and the Trustee at or prior to [11:00 a.m.], New York City time, by fax or Electronic Notice to such numbers or addresses designated for such purpose by the Remarketing Agent and the Trustee stating the Owner's (or Beneficial Owner's) irrevocable and unconditional election to tender such Weekly Rate Bond. Such Demand Notice must include the name of such Owner (or Beneficial Owner) and the aggregate principal amount and CUSIP numbers of such Weekly Rate Bonds to be tendered and the applicable purchase date (the "Demand Date"), which shall be a Business Day on or prior to a Conversion Date but not prior to the seventh day next succeeding the date of delivery of such notice to the Remarketing Agent and the Trustee and, if delivered by the beneficial owner of the Weekly Rate Bond, must be accompanied by an "SDFS Deliver Order" entered at DTC before or simultaneously with the notice; and

(B) if such Bonds are in certificated form, delivers such Weekly Rate Bond, together with any applicable due bills, to the Trustee at or prior to [11:00 a.m.], New York City time, on the applicable purchase date with all necessary endorsements.

(iii) The delivery of the Tender Notice pursuant to this section shall be irrevocable and binding upon the Owner (or Beneficial Owner) providing such notice, and any certificated Bond for which such Tender Notice has been received pursuant to this Section, whether or not delivered to the Trustee or the Remarketing Agent on the Demand Date, shall be deemed to have been so delivered and shall be available for purchase. The Trustee and Remarketing Agent may rely conclusively upon receipt by it of a Tender Notice from a Beneficial Owner, but shall make payment of the Purchase Price only to the Registered Owner. If the certificated Bond is not delivered, the Trustee shall make appropriate notation on the registration records of any such Bond so deemed to have been delivered and purchased and shall give notice by mail to the Registered Owner of such Bond deemed to have been delivered that the Bond in the possession of such Registered Owner ceased to accrue interest on the Demand Date. The Purchase Price of any Bond deemed to have been tendered as provided above shall be paid to the Registered Owner (and not to the Beneficial Owner) of such Bond who has been deemed to have tendered such Bond upon delivery of such Bond to the Trustee or the Remarketing Agent, but from and after the Demand Date, such Bond in the possession of such Registered Owner shall not continue to accrue interest. The Trustee may authenticate a substitute Bond in lieu of any such Bond so deemed to have been delivered and shall register such substitute Bond in the name of any purchaser designated by the Remarketing Agent.

Payment of the Purchase Price of any Bond delivered as provided above shall be made by wire transfer, as designated in the Tender Notice with respect to such Bond, but, if such Bonds are in certificated form, only upon delivery and surrender of such Bond to the Trustee or the Remarketing Agent.

Anything herein to the contrary notwithstanding, no Bonds shall be purchased pursuant to this section or remarketed pursuant to Section 403 if an Event of Default under Section 801(a) or (b) hereunder shall have occurred and be continuing, which occurrence and continuation shall be communicated by the Trustee to the Remarketing Agent. Furthermore, no Bonds of a subseries shall be remarketed pursuant to Section 403 if all of the Bonds of such subseries shall have been called for redemption or mandatory tender unless the new purchaser has received prior notice from the Remarketing Agent of such redemption or tender.

Section 203. Registration, Transfer and Exchange. The Issuer shall cause books for the registration and transfer of the Bonds (the "Bond Register") to be kept by the Trustee, which is hereby constituted and appointed the Bond Registrar of the Issuer. The registration of ownership of the Bonds may be transferred only in the Bond Register. If the Bonds are then held in certificated form, upon surrender for transfer of any Bonds at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed, by the Registered Owner or his/her attorney duly authorized in writing, the Issuer shall cause to be executed, and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds in Authorized Denomination(s) in the aggregate principal amount shown on the books and records of the Trustee.

Bonds may be exchanged at the Principal Office of the Trustee for Bonds of Authorized Denomination(s) in the aggregate principal amount shown on the books and records of the Trustee. The Issuer shall cause to be executed and the Trustee shall authenticate and deliver Bonds which the Registered Owner making the exchange is entitled to receive, bearing numbers not then outstanding. The execution by the manual signature of the Mayor or the Director of the Mayor's Office of Housing and Community Development of the Issuer of any Bonds of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bonds. The Trustee shall not be required to transfer or exchange any Bonds after the mailing of notice calling such Bonds for redemption or mandatory tender has been given as herein provided, nor during the period between a Record Date and the next succeeding Interest Payment Date for such Bonds; provided, that so long as the Bonds bear interest at a Variable Rate, such Bonds may be transferred or exchanged if the purchaser thereof has received notice from the Remarketing Agent of such redemption or mandatory tender prior to purchase.

As to any Bond, the Bondowner shall be deemed and regarded as the absolute owner thereof for all purposes. Payment of principal of any Bonds shall be made only to or upon the order of the Bondowner or his/her attorney duly authorized in writing as of the date of such payment. Payment of the interest on any Bonds shall be made only to or on the order of the Bondowner or his/her attorney duly authorized in writing as of the Record Date or, if applicable, Special Record Date established pursuant to Section 202 for such payment, as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

The Issuer and the Trustee shall not charge Bondowners for any exchange or transfer of Bonds, except pursuant to Section 207 and except that in each case the Trustee shall require

the payment by Bondowners requesting exchange or transfer of any tax or other governmental charge required to be paid with respect thereto. The cost of printing any new Bonds shall be paid to the Trustee in accordance with Section 5.1(i) of the Loan Agreement.

Notwithstanding any other provision of this Indenture, (i) no Bond shall be transferred to a new Beneficial Owner unless the provisions of Section 212 have been satisfied, and (ii) any Bond that is not supported by a Credit Facility satisfying the requirements of Section 310 or Section 313 hereof shall not be transferred to a new Beneficial Owner unless all of the Outstanding Bonds are being simultaneously transferred to such new Beneficial Owner.

Section 204. Execution; Limited Obligation. The Bonds shall be executed in the name and on behalf of the Issuer by the manual signature of the Mayor or the Director of the Mayor's Office of Housing and Community Development of the Issuer, without the need for seal or attestation.

In case any officer of the Issuer whose signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on, any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained, against any past, present or future officer, employee or agent of the Issuer or any successor public entity, as such, either directly or through the Issuer or any successor public entity, under any rule of law or penalty or otherwise, and all such liability of any such officer, employee or agent as such is hereby expressly waived and released as a condition of, and in consideration for, the execution of this Indenture and the issuance of any of the Bonds.

The Bonds are not and never shall become general obligations of the Issuer, but are limited obligations payable by the Issuer solely and only from the Revenues and the other security pledged herein for such purpose, which Revenues, together with any such other security provided herein, are hereby specifically and irrevocably granted, bargained, sold, conveyed, transferred, alienated, assigned and pledged to such purposes in the manner and to the extent provided herein. The Bonds and the interest thereon do not and never shall constitute a debt or an indebtedness or a general obligation of the Issuer, the State, or any county, city or other municipal or political corporation or subdivision of the State, or a loan of the faith or credit or the taxing power of any of them, within the meaning of any constitutional or statutory provisions, nor shall the Bonds be construed to create any moral obligation on the part of the Issuer, the State, or any county, city or other municipal or political corporation or subdivision of the State with respect to the payment of the Bonds. The Bonds shall not be payable from the general revenues of the Issuer, and neither the Issuer nor the State nor any political corporation, subdivision or agency thereof will be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those specifically pledged therefor.

Section 205. Authentication. No Bond shall be valid for any purpose until the certificate of authentication on such Bond shall have been duly executed by the Trustee, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if (a) signed by an authorized signatory of the Trustee, but it

shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the Trustee's certificate of authentication.

Section 206. Form of Bonds. The Bonds issued under this Indenture shall be substantially in the forms set forth in Exhibit A attached hereto and incorporated by reference herein, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture or a Supplemental Indenture.

Section 207. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond or temporary Bond is mutilated, lost, stolen or destroyed, the Issuer may cause to be executed and, thereupon, the Trustee shall authenticate a new Bond of like date, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to it, together with indemnity satisfactory to it. If any such Bond has matured, instead of issuing a replacement Bond as provided above, the Trustee may pay the same upon receipt by the Trustee of indemnity satisfactory to it. The Trustee may charge the owner of such Bond with its reasonable fees and expenses in this connection. The Issuer shall cooperate with the Trustee in connection with the issue of replacement Bonds, but nothing in this section shall be construed in derogation of any rights which the Issuer or the Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Bond.

Every substituted Bond issued pursuant to this section shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been mutilated, destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and preclude any and all other rights or remedies.

Section 208. Temporary Bonds. Pending preparation of definitive Bonds or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon the Issuer's request, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary printed or typewritten Bonds in any Authorized Denominations and of substantially the tenor recited above. Upon request of the Issuer, the Trustee, without any additional charge to the Owners thereof, shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 209. Cancellation and Destruction of Surrendered Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, for payment of the principal amount represented thereby, or for replacement pursuant to Sections 203, 207, 208 or Article VI, such Bond shall be promptly cancelled and cremated or otherwise destroyed by the Trustee in accordance with its usual and customary practices.

Section 210. Delivery of the Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers as directed by the Issuer as hereinafter in this section provided.

Prior to the delivery by the Trustee of any of the Bonds there shall have been filed with the Trustee:

- (a) A copy, duly certified by the Issuer, of the Resolution.
- (b) Original executed counterparts of this Indenture, the Loan Agreement, the Letters of Credit, the Mortgage Note, the Regulatory Agreement, the Tax Certificate and the Remarketing Agreement.
- (c) An opinion of Bond Counsel that the issuance of the Bonds and the execution of this Indenture have been duly and validly authorized, that all requirements under this Indenture precedent to the delivery of the Bonds have been satisfied, and that the Bonds and the Indenture are valid and binding obligations, enforceable against the Issuer in accordance with their terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors' rights generally and subject also to the application of equitable principles if equitable remedies are sought) and that, subject to such assumptions and qualifications as Bond Counsel may deem appropriate, the interest on the Tax-Exempt Bonds is exempt from federal income taxes.
- (d) A request and authorization to the Trustee on behalf of the Issuer to authenticate and deliver the Bonds to the purchasers therein identified upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization. The proceeds of such payment shall be transferred and deposited pursuant to Article III and as indicated in such request and authorization.
- (e) An opinion of Counsel to the Borrower substantially to the effect (i) that the Borrower has duly authorized, executed and delivered the Mortgage Loan Documents and that, assuming due authorization, execution and delivery by the other parties thereto, such instruments constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their terms, subject to customary exceptions relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and (ii) that the Regulatory Agreement constitutes a legal, valid and binding restriction on the use of the Project and the recordation thereof will subject the Project to the covenants, restrictions and reservations intended to run with the Project as set forth in the Regulatory Agreement subject to customary exceptions relating to the bankruptcy, insolvency, organization, moratorium or other similar laws or judicial decisions affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).
- (f) An opinion counsel to the Bank to the effect that (A) the Bank has the power and authority to execute, deliver and perform its obligations under each Letter of Credit, (B) each Letter of Credit is the valid and binding obligation of the Bank, enforceable against the Bank in accordance with its terms, except insofar as its enforceability may be limited by any insolvency or similar proceedings applicable to the Bank, or by proceedings affecting generally

the rights of the Bank's creditors, and (C) the execution, delivery and performance of each Letter of Credit has been duly authorized by the Bank.

Section 211. Additional Bonds; Additional Indebtedness. Without the consent of or notice to the Bondowners, the Issuer may issue additional bonds having a parity of lien on the Trust Estate at the request of the Borrower with (1) the prior written consent of the Credit Provider of an Alternate Credit Facility and written confirmation from the Credit Provider of an Alternate Credit Facility delivered to the Trustee and the Issuer to the effect that a Letter of Credit or Alternate Credit Facility has been increased in Coverage Amount, or a separate Alternate Credit Facility has been provided, to provide credit enhancement and, if necessary, liquidity support, for the Bonds and additional bonds and (2) prior written confirmation from the Rating Agency that the rating on the Bonds will not be reduced or withdrawn solely as a result of the issuance of any such additional bonds. If additional bonds are issued pursuant to this Section 211, all references in this Indenture to the Bonds shall be deemed to refer to the Bonds and any additional bonds.

Without the consent of or notice to the Bondowners, the Borrower may incur additional indebtedness and may grant liens to secure such additional indebtedness; provided, however, that nothing in this Section 211 shall alter any requirement in any reimbursement or similar credit agreement between the Borrower and the Bank, Substitute Bank or issuer of any Alternate Credit Facility to obtain the written consent of such entity to the incurring of such additional indebtedness or the grant of such liens.

Section 212. Certain Restrictions on Remarketing. At any time after the Bond Closing, a remarketing of any Bond in connection with a mandatory tender for purchase pursuant to Section 202(f), Section 310, Section 313 or Section 314 hereof shall be null and void under this Indenture unless the Bond purported to be remarketed satisfies the requirements of subsection (a), (b) or (c) of this Section 212.

(a) Upon remarketing, the credit-enhanced or unenhanced long-term rating assigned by the Rating Agency to the Bond would be equal to or higher than "A," "A2" or equivalent, and, for Variable Rate Bonds and Flexible Rate Bonds, the credit-enhanced or unenhanced short-term rating assigned to the Bond would be in the highest rating category of such Rating Agency.

(b) All of the Outstanding Bonds are being remarketed to a single Beneficial Owner and the new Beneficial Owner of the Bonds would be an Approved Transferee that has delivered to the Issuer and the Trustee a Required Transferee Representations certificate.

(c) The written consent of the Issuer to such remarketing is obtained.

ARTICLE III REVENUES AND FUNDS

Section 301. Source of Payment of Bonds. The Bonds and all payments required of the Issuer hereunder are not and shall never become general obligations of the Issuer, but are special, limited obligations payable solely and only from the Revenues and Funds and Accounts pledged in the Granting Clauses hereof, and as authorized by the Act and provided herein.

Section 302. Creation of Funds and Accounts. The following Funds and Accounts of the Issuer are hereby created and established with the Trustee:

(a) the Mortgage Loan Fund, and within such fund, the Tax-Exempt Account and the Taxable Account;

(b) the Cost of Issuance Fund;

(c) the Debt Service Fund, and within such fund, one Debt Service Account and one Purchase Account for each Subseries of Bonds; and

(d) the Principal Reserve Fund, and within such fund, one Principal Reserve Account for each Subseries of Bonds.

Each Fund and Account shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All moneys deposited in the Funds and Accounts shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund and Account, and all disbursements therefrom.

The Trustee shall be entitled to establish other trust funds and accounts, including but not limited to a Seasoned Funds Account in the Debt Service Fund and a Rebate Fund, as the Trustee shall deem necessary in order to properly administer the Trust Estate.

Section 303. Initial Deposits. On Bond Closing, the Trustee shall deposit the proceeds received from the sale of the Bonds, together with money, if any, received from the Issuer and Borrower, in accordance with Exhibit B hereto.

Section 304. Mortgage Loan Fund. The Trustee shall deposit into the various accounts of the Mortgage Loan Fund the amounts received pursuant to Exhibit B hereto. Such moneys and the investment earnings thereon shall be held by the Trustee in trust and shall be applied or disbursed in accordance with this section, Section 602(a)(i) and the Loan Agreement.

(a) In accordance with Section 4.2(a) of the Loan Agreement, the Trustee shall disburse amounts from the Mortgage Loan Fund pursuant to Funding Requisitions in substantially the form attached as an exhibit to the Loan Agreement.

(b) Amounts remaining in the Mortgage Loan Fund on [_____, 20__] [Bank and underwriter to advise when an excess proceeds call s/b required] (or such later date as may be established pursuant to Section 4.2(b) of the Loan Agreement) shall be used to redeem Bonds as described in Section 602(a).

(c) Amounts in the Mortgage Loan Fund shall be invested only in Permitted Investments as described in instructions from the Borrower and approved by the Administrative Agent.

(d) Amounts in the Taxable Account of the Mortgage Loan Fund may be transferred to any Debt Service Accounts to pay interest on the Bonds (or to reimburse the applicable Credit Provider therefor). Amounts in the Tax-Exempt Account of the Mortgage Loan Fund may be transferred to any Debt Service Account for Tax-Exempt Bonds to pay interest on such Tax-Exempt Bonds accrued up to the date of construction completion of the Project (or to reimburse the applicable Credit Provider therefor).

Section 305. Cost of Issuance Fund. On Bond Closing, the Trustee shall deposit into the Cost of Issuance Fund the amounts required by Exhibit B hereto. Moneys on deposit in the Cost of Issuance Fund shall be applied to pay Issuance Costs set forth in a closing memorandum prepared by the underwriter of the Bonds and approved by the Issuer, or otherwise approved by the Issuer. Any moneys remaining in the Cost of Issuance Fund on the 180th day following Bond Closing and not reasonably expected to be necessary for the payment of any expenses hereunder or costs of issuance of the Bonds shall be transferred to the Borrower and the Cost of Issuance Fund shall be closed; provided, that any requests for payments of additional fees and costs incurred in connection with the issuance of the Bonds received after the 180th day following Bond Closing shall be immediately paid for by the Borrower. The Cost of Issuance Fund may be reopened if required under Section 202(f) and closed again by the 90th day thereafter subject to the requirements of this paragraph. Notwithstanding anything to the contrary contained herein, investment earnings and other amounts remaining on deposit in the Costs of Issuance Fund as of _____ 1, 20__, shall be transferred to the Taxable Account of the Mortgage Loan Fund or, if such account is then closed, to the Debt Service Fund.

Moneys in the Cost of Issuance Fund shall be invested only in Permitted Investments as described in subsection (viii) of such definition.

Section 306. Debt Service Fund. Money on deposit in each Debt Service Account shall be applied solely to pay the principal or Purchase Price of, premium, if any, and interest on the Bonds of the applicable Subseries as the same shall become due and payable, subject to the provisions of Section 309(d).

(a) Payments of Interest. For each Subseries of Bonds, the Trustee shall deposit into the applicable Debt Service Account from (i) funds received from an interest draw on the applicable Credit Facility other than upon a remarketing in accordance with Section 309(c) and (ii) upon any failure of the applicable Credit Provider to pay a draw on such Credit Facility, any other Revenues received by the Trustee and available to pay interest on such Bonds, in that order of priority, in an amount sufficient to pay the interest becoming due and payable on such Bonds on the next Interest Payment Date. On each scheduled Interest Payment Date, the Trustee shall remit in accordance with Section 202 to the Bondowner as of the Record Date for such interest payment, an amount from the applicable Debt Service Account sufficient to pay the interest on such Bonds becoming due and payable on such date.

(b) Payments of Principal. For each Subseries of Bonds, the Trustee shall deposit into the applicable Debt Service Account from (i) funds received from a principal draw on the applicable Credit Facility other than upon a remarketing, (ii) funds received from a draw on such Credit Facility, if any, for redemption premium, and (iii) upon any failure of the applicable Credit Provider to pay a draw on such Credit Facility, any other Revenues received by the Trustee and available to pay principal of and premium, if any, on such Bonds, in an amount sufficient to pay the principal of and premium, if any, on such Bonds on the next Interest Payment Date. On each date on which any principal becomes payable on such Bonds, the Trustee shall set aside and hold in trust, an amount from the applicable Debt Service Account sufficient to pay the amount of principal of such Bonds becoming due and payable on such date.

(c) Seasoned Funds Account. For each Subseries of Bonds, if the Borrower deposits with the Trustee moneys to be used to pay the redemption premium on such Bonds in accordance with Section 602(b), the Trustee shall establish a Seasoned Funds Account in the Debt Service Fund and a separate subaccount therein for each such deposit. Moneys on

deposit in a Seasoned Funds Account that represent Seasoned Funds shall be transferred to the applicable Debt Service Account to the extent necessary to pay the premium, if any, on such Bonds as the same become due and payable by redemption. Such moneys shall be paid to the Bondowners only if they constitute Seasoned Funds. Any excess moneys in the Seasoned Funds Account shall be paid to the Borrower.

(d) Purchase Account. The Trustee shall create a Purchase Account within the Debt Service Fund for each Subseries of Bonds. The Trustee shall deposit (i) the proceeds from the remarketing of Bonds of each Subseries, (ii) the proceeds of each draw on a Credit Facility for the purchase of Bonds of such Subseries upon optional or mandatory tender, and (iii) any other Seasoned Funds provided for the purchase of Bonds of such Subseries upon optional or mandatory tender, in the applicable Purchase Account, and shall keep such proceeds segregated from other moneys held under this Indenture. The Trustee shall apply the moneys so deposited in each such Purchase Account to purchase Bonds of the applicable Subseries upon optional or mandatory tender pursuant to the Indenture.

(e) Other Accounts. Pursuant to Section 302(c), the Trustee shall create a separate Debt Service Account for each Subseries of Bonds, and the provisions in this Section 306 relating to the deposit and application of funds in the Debt Service Fund for the payment of principal, premium, if any, and interest on such Subseries shall apply to the respective Debt Service Account and the applicable Credit Facility, if any. The proceeds of any principal or interest draw on a Credit Facility for a Subseries shall be deposited in such Debt Service Account and shall be segregated from amounts in any other fund or account.

Section 307. Rebate Fund. If the Trustee receives amounts determined in accordance with the Tax Certificate to be a Rebate Amount, the Trustee shall establish a Rebate Fund and deposit such amounts therein. The Trustee shall withdraw such amounts to pay the Rebate Amount required to be paid to the United States of America as specified in writing by the Rebate Analyst, Bond Counsel or the Issuer. The Trustee shall not be responsible for calculating Rebate Amounts, for the adequacy or correctness of any rebate report, or for enforcing compliance with rebate filing or reporting requirements.

Section 308. Principal Reserve Fund.

(a) For each Subseries of Bonds, the Trustee shall create a Principal Reserve Account within the Principal Reserve Fund. There shall be deposited into each such Principal Reserve Account the applicable Principal Reserve Schedule Payments. Any interest earned on or profits realized from amounts on deposit in a Principal Reserve Account shall be deposited into such Principal Reserve Account and, provided that (i) the Trustee has not received notice from the applicable Credit Provider of a deficiency in such Principal Reserve Account, (ii) there is no deficiency in the Rebate Fund, and (iii) the Trustee has not received notice that a default exists under any of the Mortgage Loan Documents, shall promptly be paid to the Borrower on the Interest Payment Date next succeeding receipt of such interest or profits by the Trustee.

(b) At the written direction of the applicable Credit Provider, amounts on deposit in each Principal Reserve Account shall be used by the Trustee to pay any amounts required to be paid by the Borrower under any Mortgage Loan Document, to pay any amounts owed to such Credit Provider in connection with any loan purchased by such Credit Provider and secured by the Project, or to pay any other amount agreed to in writing by the Borrower and such Credit Provider; provided that the amounts on deposit in each Principal Reserve Account

shall, upon the occurrence of an event of default under any Mortgage Loan Document, be used in any manner and for any purpose specified by the applicable Credit Provider or the Administrative Agent in writing to the Trustee.

(c) At the written request of the Borrower, a Credit Provider, in its sole and absolute discretion, may (i) consent to the release of all or a portion of the amounts on deposit in an applicable Principal Reserve Account to the Borrower (in which case the Trustee shall release such amounts to the Borrower, provided that if, in the judgment of the Rebate Analyst, the amount on deposit in the Rebate Fund at such time is less than the amount required under Section 307 to be rebated to the United States Treasury, then prior to any such release to the Borrower, any amounts on deposit in such Principal Reserve Account (up to the amount of such deficiency) shall be transferred to the Rebate Fund) and/or (ii) reduce or no longer require deposits to such Principal Reserve Account.

(d) On each Conversion Date, amounts on deposit in the applicable Principal Reserve Account or Accounts shall be used to reimburse the applicable Credit Provider in an amount equal to any Guaranteed Payment made by such Credit Provider to the Trustee under the applicable Credit Facility to redeem Bonds of the applicable Subseries in Authorized Denominations pursuant to Section 602(a)(viii).

(e) On the first day of the month in which an Interest Payment Date falls during a Term Rate Period or a Fixed Rate Period, amounts on deposit in the applicable Principal Reserve Account shall be used to reimburse the applicable Credit Provider in an amount equal to any Guaranteed Payment made by such Credit Provider to the Trustee under the applicable Credit Facility to redeem Bonds of the applicable Subseries in Authorized Denominations pursuant to Section 602(a)(iii).

(f) On any Interest Payment Date, to the extent of any deficiency in a Debt Service Account, at the written direction of the applicable Credit Provider, amounts on deposit in the applicable Principal Reserve Account shall be transferred to such Debt Service Account in the amount of such deficiency.

(g) Unless otherwise directed by the applicable Credit Provider, during a Variable Rate Period, on the tenth Business Day prior to each Interest Payment Date, all amounts on deposit in a Principal Reserve Account in excess of the applicable Principal Reserve Requirement (rounded downward to the nearest integral multiple of \$100,000), shall be available for the redemption of Bonds of the applicable Subseries pursuant to Section 602(a)(ix) hereof and shall be applied to the reimbursement of the applicable Credit Provider for amounts drawn under the applicable Credit Facility in a like amount to effect the redemption of Bonds of such Subseries pursuant to Section 602(a)(ix) hereof.

(h) Any amounts remaining in a Principal Reserve Account after payment in full of the principal of and interest on the Bonds of the applicable Subseries shall be applied as provided in Section 311 hereof.

Section 309. Letters of Credit and Drawings Thereunder.

(a) Upon the issuance and delivery of the Bonds, the Trustee will receive one or more Letters of Credit that are each specified to provide liquidity and credit support for one or more different Subseries of Bonds initially bearing interest at Variable Rates such that all of the Letters of Credit, collectively, provide liquidity support and credit enhancement for all of the

Bonds initially bearing interest at Variable Rates. Each Letter of Credit shall be held by the Trustee and drawn upon in accordance with its terms consistent with the provisions of this Indenture, and specifically by such means and manner specified in such Letter of Credit as shall be sufficient to enable the Trustee to receive funds therefrom on or before the dates such funds are required for the purposes hereof. Moneys derived from draws upon each Letter of Credit shall be deposited in the appropriate Debt Service Account and held segregated from other funds, and applied by the Trustee to pay the principal of and interest on the applicable Subseries of Bonds or transferred to pay the Purchase Price of the applicable Subseries of Bonds tendered in accordance with Section 202(f), 202(h), 310(f), 313 or 314 hereof.

(b) The Trustee shall draw moneys under each Letter of Credit in accordance with the terms thereof in order to provide the moneys necessary to make timely payments of the principal of and interest on the applicable Subseries of Bonds (other than Bank Bonds) on each Interest Payment Date. Payments of the principal of and interest on the Bonds shall be paid from the following sources in the following order of priority: (i) proceeds of draws on such Letter of Credit and (ii) in the event that the applicable Credit Provider has failed to pay a draw on such Letter of Credit, any other available Revenues paid to the Trustee; provided, that money received as draws on such Letter of Credit shall not be commingled with other money held under the Indenture.

In accordance with the preceding paragraph, the Trustee shall draw moneys under each Letter of Credit to make payments on the Bonds of the applicable Subseries on each Interest Payment Date, such draw to be presented to the Bank by [3:30 p.m.] New York City time on the Business Day immediately preceding such Interest Payment Date (including any date fixed for payment of such Bonds pursuant to Section 602 or Section 802), in an amount which is sufficient to pay the principal of and/or interest becoming due and payable on such Bonds on such date.

(c) The Trustee shall draw on each Letter of Credit by [12:30 p.m.] New York City time on each Demand Date, in an amount sufficient to pay the Purchase Price of any Bonds of the applicable Subseries (other than Bank Bonds or Bonds owned by the Borrower to the extent known by the Trustee) tendered or deemed tendered pursuant to Section 202(f), 202(h), 310(f), 313 or 314 for which it has not received remarketing proceeds; provided, that in the case of a tender for a Substitute Letter of Credit or Alternate Credit Facility, such draw shall be made on the existing Credit Facility for the applicable Subseries.

(d) If, on an Interest Payment Date, the Trustee holds funds in the Debt Service Fund representing proceeds of a draw on a Letter of Credit that are not needed for the purpose of such draw, the Trustee shall promptly remit such funds to the Administrative Agent.

(e) The Trustee shall send to the Borrower a copy or a summary of any documents which are presented to the Bank in connection with a drawing on each Letter of Credit concurrently with its submission of those documents to the Bank; provided, however, that failure or delay in so doing shall in no way affect the validity of such drawing on such Letter of Credit.

(f) If a Letter of Credit for a Subseries of Bonds is extended, the Borrower shall deliver to the Trustee (1) an irrevocable commitment, subject to customary conditions precedent, of the Bank, no later than 30 days prior to the regularly scheduled Interest Payment Date immediately prior to the expiration date of the then existing Letter of Credit for such

Subseries and (2) the amended Letter of Credit showing the extension of the expiration date, no later than 15 calendar days prior to such regularly scheduled Interest Payment Date.

(g) Except as provided in Section 310(e) or in exchange for an Alternate Credit Facility or an extended or modified Letter of Credit, the Trustee shall not surrender the applicable Letter of Credit to the Bank unless and until the principal of and interest on the Bonds of the applicable Subseries (other than Bank Bonds) are paid in full.

Section 310. Substitute Letter of Credit.

(a) On any Business Day while the Bonds of a Subseries bear interest at a Variable Rate, or on a Flexible Rate Conversion Date, a Term Rate Conversion Date, an Index Rate Conversion Date or the Fixed Rate Conversion Date, or upon receipt by the Trustee of written notice of a Wrongful Dishonor of the applicable Credit Facility, an Act of Bankruptcy of Credit Provider or a Determination of Unenforceability, or on the regularly scheduled Interest Payment Date immediately prior (but in no case less than five Business Days prior) to the stated expiration date of such Letter of Credit while such Bonds bear interest at a Fixed Rate or an Index Rate, the Borrower may, in accordance with this Section 310, provide the Trustee with a Substitute Letter of Credit meeting the requirements of this Section. Such Bonds shall be subject to mandatory tender as described in Section 310(f) upon the substitution of the Letter of Credit.

If, following an Event of Default by the Borrower under the Loan Agreement while the Bonds of a Subseries bear interest at a Variable Rate, all of such Bonds that are Outstanding have been optionally tendered for purchase and the Purchase Price has been paid in full as provided in the Indenture, then, on any Business Day, the applicable Credit Provider may provide the Trustee with a Substitute Letter of Credit meeting the requirements of this Section. The Remarketing Agent or Agents may, but shall not be obligated to, remarket such Bonds upon the effectiveness of such Substitute Letter of Credit.

(b) Any Substitute Letter of Credit must satisfy the following criteria:

(1) Any Substitute Letter of Credit shall be an irrevocable, transferable direct pay letter of credit of the Bank or a Substitute Bank; provided that all Letters of Credit for a Subseries must be provided by the same financial institution. On any date, a Substitute Letter of Credit for a Subseries of Bonds shall be in an amount not less than the Coverage Amount for such Subseries of Bonds. The Substitute Letter of Credit shall contain a provision permitting drawings thereunder to pay principal or Purchase Price of and interest on the applicable Bonds on the scheduled dates for payment of such amounts or upon maturity, tender for purchase, redemption or acceleration, shall provide for automatic and irrevocable reinstatement of the interest amount thereof upon any drawing thereunder to pay interest on such Bonds, and shall be substantially similar in form and substance to the theretofore outstanding Letter of Credit for such Bonds, as determined by the Trustee, and shall be effective not less than five Business Days prior to the scheduled expiration or termination of the then-effective Letter of Credit.

(2) While Bonds bear interest at a Variable Rate or Flexible Rate, any Substitute Letter of Credit shall expire no earlier than one year from its issuance; provided, that the expiration date need not be longer than 15 days after the final maturity of such Bonds; and provided, further, that no Substitute Letter of Credit for Flexible Rate Bonds shall expire earlier than 15 days after the end of the last Flexible Rate Period for such Bonds.

Upon or after Conversion to a Term Rate, an Index Rate or a Fixed Rate, any Substitute Letter of Credit shall expire no earlier than the soonest of:

(a) the expiration date of any then existing Letter of Credit issued at the time of Conversion to a Term Rate, an Index Rate or a Fixed Rate,

(b) the expiration date of any then existing Letter of Credit, if issued after Conversion to a Term Rate, an Index Rate or a Fixed Rate, or

(c) 15 days after the earlier of (i) the expiration of the applicable Term Rate Period or (ii) the final maturity of the applicable Bonds.

Any Substitute Letter of Credit shall expire no sooner than 15 days after the scheduled Interest Payment Date immediately preceding the expiration date.

(3) Any Substitute Letter of Credit shall provide for payment of principal of and interest on the applicable Bonds upon an optional redemption pursuant to Section 602(b) if, during the term of such Substitute Letter of Credit, the Mortgage Note is subject to optional prepayment pursuant to Section 5.4 of the Loan Agreement.

(c) If the Substitute Letter of Credit is to be provided in connection with the stated expiration of a then-effective Letter of Credit, the Borrower shall deliver to the Trustee (1) the irrevocable commitment, subject to customary conditions precedent, of the issuer of the Substitute Letter of Credit no later than thirty (30) days prior to the latest regularly scheduled Interest Payment Date that is at least five Business Days prior to the expiration date of the then existing Letter of Credit, and (2) the documents required by Section 310(d) no later than five (5) calendar days prior to such regularly scheduled Interest Payment Date. If the Substitute Letter of Credit is to be provided with respect to a substitution other than in connection with a stated expiration date of the then effective Letter of Credit, the Borrower shall deliver to the Trustee the foregoing commitment thirty (30) days prior to the Substitution Date and other documents no later than ten (10) calendar days before the Substitution Date.

As soon as practicable upon receipt of such irrevocable commitment or upon any substitution other than in connection with a stated expiration of the then effective Letter of Credit, the Trustee shall send written notice by first-class mail, postage prepaid, to the Issuer, the Remarketing Agent and the Rating Agency which notice shall identify the issuer of the Substitute Letter of Credit.

(d) Prior to accepting delivery of the Substitute Letter of Credit:

(1) the Trustee shall receive an opinion of Counsel to the effect that the Substitute Letter of Credit is the valid and binding obligation of the issuer thereof, enforceable against the issuer in accordance with its terms, except insofar as its enforceability may be limited by any insolvency or similar proceedings applicable to the issuer thereof or by proceedings affecting generally the rights of the issuer's creditors;

(2) the Trustee shall receive written evidence from the Rating Agency that issuance of the Substitute Letter of Credit will not result in a long-term rating on the applicable Bonds of less than "A" or "A2" or equivalent and, with respect to Variable Rate Bonds, will not result in a short-term rating on such Bonds lower than the highest short-term

rating category; provided, that if an Act of Bankruptcy of Credit Provider or Wrongful Dishonor has occurred with respect to the current Credit Provider, the Director of the Mayor's Office of Housing and Community Development of the Issuer may, by his written consent and in his sole discretion, permit the Bonds to receive a long-term rating lower than "A" or "A2" or a short-term rating lower than the highest short-term rating category if such lower rating or ratings are not lower than the rating or ratings on the Bonds prior to the Act of Bankruptcy of Credit Provider or Wrongful Dishonor and not lower than "B" or "Baa" or equivalent in any event; and

(3) the Trustee, the Issuer and the Remarketing Agent shall receive an opinion of Bond Counsel to the effect that provision of such Substitute Letter of Credit will not cause the interest on the Tax-Exempt Bonds to be included in gross income under federal tax law and an opinion of counsel satisfactory to such parties that the remarketing of the Bonds with such Substitute Letter of Credit will be exempt from registration under the Securities Act of 1933.

(e) Simultaneously with accepting delivery of the Substitute Letter of Credit and after payment by the Bank of all outstanding draws on the expiring or terminating Letter of Credit, the Trustee shall deliver the then expiring or terminating Letter of Credit to the Bank.

(f) The applicable Bonds shall be subject to mandatory tender in whole on the effective date of any Substitute Letter of Credit or Alternate Credit Facility, or on the date on which the Borrower elects to cause the termination of an existing Credit Facility in accordance with the terms thereof pursuant to Section 314 hereof (the "Substitution Date"). The Trustee shall give written notice of the substitution or termination of the applicable Credit Facility to all Owners, by first-class mail, postage prepaid, no later than ten days prior to the Substitution Date. Such notice shall (1) specify the Substitution Date, (2) identify the type and issuer of the Alternate Credit Facility, if any, (3) state that from and after the Substitution Date the applicable Bonds held by the Registered Owner will cease to bear interest, (4) state that all of the applicable Bonds are subject to mandatory tender on the Substitution Date for purchase at the Purchase Price and that any such Bonds not delivered to the Trustee on the Substitution Date will be deemed to have been delivered on such Substitution Date and shall be available for purchase. Any such Bond not tendered for purchase on the Substitution Date shall be deemed to have been tendered for purchase, and shall cease to accrue interest on such date.

The Trustee shall make appropriate notation on the registration record of any Bond deemed to have been delivered and purchased, and shall give notice by mail to the Registered Owner of each Bond deemed to have been delivered that the Bond in the possession of such Registered Owner shall cease to accrue interest on the Substitution Date. The Purchase Price of any Bond deemed to have been tendered as provided above shall be paid to the Registered Owner of such Bond who has been deemed to have tendered such Bond upon the delivery of such Bond to the Trustee, but from and after the Substitution Date such Bond in the possession of such Registered Owner shall not continue to accrue interest. The Trustee may authenticate a substitute Bond or Bonds of appropriate denominations in lieu of such Bond deemed to have been delivered, and in an aggregate principal amount equal to the principal amount of the Bond deemed to have been delivered, and shall register such substitute Bond or Bonds in the name of any purchaser designated in writing by the Remarketing Agent.

(g) A Substitute Letter of Credit may consist of one or more individual letters of credit issued by a single Bank or Substitute Bank so long as all such letters of credit together satisfy all of the requirements set forth above in this Section with respect to all of the Bonds.

Section 311. Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder or under the Loan Agreement, including all fees, charges and expenses of the Trustee and the Issuer which are properly due and payable hereunder or under the Loan Agreement, or upon the making of provisions satisfactory to the Trustee for the payment of such amounts as permitted hereby, all moneys remaining in all Funds and Accounts, except moneys necessary to pay principal of, premium, if any, and interest on the Bonds, which moneys shall be held and disbursed by the Trustee pursuant to Section 312, and moneys in the Rebate Fund necessary to pay any Rebate Amount, shall be remitted to the Credit Providers to pay any outstanding reimbursement obligations and upon written confirmation from the Credit Providers that such obligations have been paid, to the Borrower.

Section 312. Nonpresentment of Bonds. If any Bond is not presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and if funds sufficient to pay the principal thereof and the interest accrued thereon to such date have been made available to the Trustee for the benefit of the owner thereof, the Trustee shall hold such principal and interest accrued thereon to such date without liability to the Bondowner for further interest thereon, for the benefit of the Owner of such Bond, for a period of two years from the date such Bonds shall have become due, either at maturity or upon earlier redemption, and thereafter the Trustee shall remit those funds in accordance with the laws of the State governing unclaimed property. In the event the laws of the State should require by law other action to be taken by the Trustee, then the Trustee shall comply with such law and this section shall be deemed amended. After the payment in accordance with the laws of the State as herein provided, the Trustee's liability for payment to the Owner of such Bond shall forthwith cease, terminate and be completely discharged, and thereafter the Owner shall be restricted exclusively to his or her rights of recovery, if any, under the laws of the State governing unclaimed property.

Section 313. Alternate Credit Facility. The Borrower may, at the times permitted by Section 310(a), provide the Trustee with an Alternate Credit Facility meeting the applicable requirements (other than the form of Credit Facility) of Section 310 with respect to a Substitute Letter of Credit provided pursuant to Section 310. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with Section 310(f).

The Issuer and the Trustee may enter into a Supplemental Indenture in accordance with Article X to provide for the substitution of such Credit Facility.

Section 314. Termination or Expiration of Credit Facility; Unenhanced Bonds.

(a) The Borrower may, at the times permitted by Section 310(a), cause a Subseries of Bonds to be subject to mandatory tender for purchase in order to terminate an existing Credit Facility with respect thereto in accordance with the terms of such Credit Facility; provided, that (i) such existing Credit Facility provides for a draw in an amount necessary to pay the purchase price, including any accrued interest, of such Bonds on the mandatory tender date selected by the Borrower, and (ii) such Bonds will be remarketed by the Remarketing Agent with an Alternate Credit Facility or, for Bonds to be remarketed at other than Variable Rates, with no Credit Facility, provided the Bonds so remarketed are in compliance with Section 212 hereof. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with Section 310(f).

(b) The applicable Bonds shall be subject to mandatory tender for purchase in whole on the latest regularly scheduled Interest Payment Date that is at least five Business Days prior to the stated expiration date of a Credit Facility if (1) either (A) the Borrower does not cause to be delivered to the Trustee at least 30 days prior to such Interest Payment Date an extension of the then-current Credit Facility or an irrevocable commitment for an Alternate Credit Facility satisfying the requirements of Section 310(d) or 313 or (B) after the delivery of the irrevocable commitment described in clause (A) hereof, the Borrower does not cause to be delivered to the Trustee such Alternate Credit Facility, together with the documents required by Section 310 or 313 hereof, on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date, and (2) the Borrower fails to initiate a mandatory tender for purchase pursuant to Section 314(a) on or prior to the 15th calendar day prior to such regularly scheduled Interest Payment Date. Such Bonds may thereafter be remarketed by the Remarketing Agent with an Alternate Credit Facility or with no Credit Facility, provided the Bonds so remarketed are in compliance with Section 212 hereof. The Bonds so affected shall be subject to mandatory tender for purchase in accordance with Section 310(f).

(c) The Trustee is authorized to enter into a Supplemental Indenture in accordance with Article X to provide for the substitution of such Alternate Credit Facility or the termination or expiration of any Credit Facility.

Section 315. Annual Sweep of Excess Funds. Amounts on deposit in the Debt Service Fund on the July 1 Interest Payment Date of each year shall be transferred by the Trustee to the Borrower following (1) the honoring of the draw on the Credit Facilities with respect to payments of principal and interest on the Bonds, (2) the payment of such principal of and interest on the Bonds when due and payable and (3) the payment of all fees, expenses and indemnities due and payable to the Trustee and the Issuer.

Section 316. Administrative Agent. The initial Administrative Agent shall be Bank of America, N.A. The Administrative Agent may resign upon thirty (30) days' written notice to the Trustee, the Borrower, the Issuer and each Credit Provider. From time to time, the Credit Providers may unanimously appoint a financial institution or other Person as a successor Administrative Agent by delivering to the Trustee, the Issuer and the Borrower a written appointment signed by each Credit Provider and the successor Administrative Agent. If at any time no financial institution or other Person has been appointed as Administrative Agent, the Credit Provider providing credit enhancement for the greatest principal amount of Bonds Outstanding shall be automatically deemed to be the Administrative Agent with full power and authority to act as the Administrative Agent under this Indenture.

ARTICLE IV PURCHASE AND REMARKETING OF BONDS

Section 401. Remarketing Agent. The Issuer shall, with the consent of the Borrower and the applicable Credit Provider, appoint a Remarketing Agent for each subseries of the Bonds, subject to the conditions set forth in Section 402, pursuant to the Remarketing Agreement. The initial Remarketing Agent for the Bonds shall be Citigroup Global Markets Inc. Each Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by execution of a Remarketing Agreement. Each Remarketing Agent shall, and shall agree in the Remarketing

Agreement to, do each of the following with respect to the subseries of Bonds for which it has been appointed as Remarketing Agent:

- (a) act as agent for the Borrower in the remarketing of tendered Bonds;
- (b) notify the Trustee, the Borrower and the applicable Credit Provider of the interest rates determined in accordance with Section 202, and make such other notifications as may be required by the Remarketing Agreement, each such notification to be in writing or by telecopier, email or other communication device acceptable to the parties which produces a written record thereof, or by telephone confirmed within one Business Day by any such written communication;
- (c) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection by the Issuer, the Trustee and the Borrower and their agents at all reasonable times;
- (d) perform the duties and comply with the provisions set forth in Sections 402 through 405, inclusive; and
- (e) upon request of the Issuer, the applicable Credit Provider, the Borrower or the Trustee, furnish from time to time copies of its financial statements as filed with the Securities and Exchange Commission or the National Association of Securities Dealers, Inc.

Section 402. Qualifications of Remarketing Agent.

- (a) Any successor Remarketing Agent must (i) be a national banking association or a member of the National Association of Securities Dealers, Inc., (ii) have a capitalization of at least \$100,000,000, (iii) remarket not less than \$1,000,000,000 of other tax exempt obligations at the time of executing a Remarketing Agreement, unless this requirement is waived in writing by the City, and (iv) be authorized by law to perform all the duties imposed upon it by this Indenture and such Remarketing Agreement.
- (b) Each Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the Issuer, the Borrower, the applicable Credit Provider and the Trustee and satisfying the other applicable requirements of the Remarketing Agreement.
- (c) Each Remarketing Agent may be removed at any time, and a successor Remarketing Agent appointed at the request of the Borrower or the applicable Credit Provider, upon delivery to the Trustee, the Issuer and such Remarketing Agent of an instrument requesting such removal and appointment signed by the requesting entity. If such removal and appointment is requested by the Borrower, the Credit Provider's and the Issuer's written approval (which shall not be unreasonably such) shall be required. If such removal and appointment is requested by such Credit Provider, the Borrower's and the Issuer's written approval (which shall not be unreasonably withheld) shall be required. Within 30 days after receipt of such filing, the Trustee shall confirm in writing to the successor Remarketing Agent, such Credit Provider, the Borrower and the Issuer that such removal has been approved and the successor Remarketing Agent has been appointed. No removal of a Remarketing Agent shall be effective until a successor is appointed and has accepted such appointment.

(d) If a Remarketing Agent fails to remarket the applicable Bonds in accordance with the Remarketing Agreement, the Borrower has the right to immediately remove such Remarketing Agent and appoint a successor; provided, that the Issuer and the applicable Credit Provider must affirm such selection within three Business Days of receipt of notice provided by the Borrower of such selection. Failure to affirm within three Business Days of receipt of such notice shall be deemed approval. If such Credit Provider or the Issuer objects to the selection, the Borrower shall select another Remarketing Agent subject to the same approval process; provided, however, that the prior Remarketing Agent shall continue to serve as Remarketing Agent pending selection of a successor.

(e) In the event of the resignation or removal of a Remarketing Agent, such Remarketing Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor.

(f) The Trustee shall provide notice to the Bondowners and the applicable Credit Provider of any appointment of any successor Remarketing Agent.

Section 403. Remarketing of Bonds. Except as provided in the following paragraph of this Section 403, upon delivery of a Tender Notice to the Remarketing Agent in accordance with Sections 202(f), 202(h), 310(f), 313 or 314, or upon notice to the Remarketing Agent of a mandatory tender of Bonds hereunder, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds, any such sale to be made on the Demand Date, at a price equal to the Purchase Price; provided that Bonds may not be remarketed to the Issuer, the Borrower, any guarantor, partner or member of the Borrower or an affiliate of the Borrower and may not be remarketed if an Event of Default has occurred and is continuing. If Bonds are in book-entry form, the Remarketing Agent shall give fax or Electronic Notice, promptly confirmed by mailing such notice, to the Trustee, by [4:00 p.m.], New York City time, one Business Day before the Demand Date in the case of Weekly Rate Bonds or Term Rate Bonds and by [12:00 p.m.], New York City time, on the Demand Date in the case of Daily Rate Bonds or Flexible Rate Bonds (the "Remarketing Date"), specifying the names, addresses, and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, such Bonds, if any, for which it has found purchasers as of such Remarketing Date and the Purchase Price at which the Bonds are to be sold (which shall be at least par and which shall include accrued interest to the Demand Date). If Bonds are in certificated form, the Remarketing Agent shall give fax or Electronic Notice, promptly confirmed by mailing such notice, to the Trustee, by [4:00 p.m.], New York City time, two Business Days before the Demand Date in the case of any Bonds subject to mandatory or optional tender for purchase (the "Remarketing Date"), specifying the names, addresses, and taxpayer identification numbers of the purchasers of, and the principal amount and denominations of, such Bonds, if any, for which it has found purchasers as of such Remarketing Date and the Purchase Price at which the Bonds are to be sold (which shall be at least par and which shall include accrued interest to the Demand Date). The Bonds shall not be in certificated form while bearing interest at Daily Rates or Flexible Rates. The Remarketing Agent shall instruct such purchasers to deliver to it, on or before the Demand Date, in same day funds, the amount required to purchase such Bonds. Upon receipt by the Trustee of such amount from the Remarketing Agent pursuant to the Remarketing Agreement and, if the Bonds are in certificated form, receipt by the Trustee, pursuant to Sections 202(f), 202(h), 310(f), 313 or 314 of the Bonds to be purchased on such Demand Date in good form for delivery, the Trustee, as Bond Registrar, shall transfer the registered ownership of the Bonds to the respective purchasers, and will deliver such Bonds for such transfer and delivery to the transferee. The Trustee shall remit the Purchase Price of such Bonds to the tendering

Bondowner or Bondowners entitled to the same as provided in Sections 202(f), 202(h), 310(f), 313 or 314.

If any purchaser that has been identified by the Remarketing Agent to the Trustee shall fail to pay the Purchase Price for any Bonds prior to [10:00 a.m.], New York City time, on the Demand Date, the Remarketing Agent is not obligated to accept delivery of that amount.

Section 404. Purchase of Bonds Not Remarketed. In the event that a Tender Notice has been given or a mandatory tender has been declared, the Remarketing Agent shall deliver to the Trustee no later than [12:00 p.m.], New York City time, on the Demand Date funds received from the remarketing of Bonds and the Trustee shall on the Demand Date with respect to Daily Rate Bonds or Flexible Rate Bonds and on the Demand Date with respect to Weekly Rate Bonds and Term Rate Bonds, within the time required by Section 309(c), draw on the applicable Credit Facility in an amount sufficient to pay the Purchase Price of any Bond for which the Trustee is not holding the Purchase Price. If on a Demand Date the applicable Credit Provider Wrongfully Dishonors the applicable Credit Facility or a draw thereon and there are insufficient remarketing proceeds to pay the Purchase Price of the Bonds tendered for purchase, the Borrower, or STRS, on behalf of the Borrower, shall have the right to provide funds to the Trustee to pay the Purchase Price of such tendered Bonds.

On each Demand Date the Trustee shall pay to the Registered Owners thereof, as provided in Section 202(f), 202(h), 310(f), 313 or 314, or any other applicable provision hereof, but only from amounts representing remarketing proceeds transferred by the Remarketing Agent to the Trustee, draws under the applicable Credit Facility or amounts received from the Borrower or STRS, the Purchase Price of any tendered Bonds for which it has received a Tender Notice or for which a mandatory tender has been declared. Such payments shall be made first from amounts representing remarketing proceeds; second from draws under the applicable Credit Facility; and third from amounts received from the Borrower or STRS, in that order. Any amounts drawn under the applicable Credit Facility to purchase Bonds shall be used solely for such purpose. If there are excess proceeds drawn under the applicable Credit Facility that are not needed to purchase Bonds, the Trustee shall return such excess to the applicable Credit Provider. Any Bonds so purchased with amounts drawn under the applicable Credit Facility by the Trustee shall be registered as provided in Section 405. If the Bonds are in certificated form, the Trustee, as Bond Registrar, shall transfer the registered ownership of such Bonds purchased with amounts drawn under the applicable Credit Facility to the applicable Credit Provider.

Moneys held by the Remarketing Agent as remarketing proceeds upon nonpresentment of certificated Bonds shall be transferred to the Trustee and handled as unclaimed moneys pursuant to Section 312 hereof. Draws on the applicable Credit Facility shall also be invested in such manner; provided that remarketing proceeds held by the Trustee shall be held separate and apart from proceeds of draws on such Credit Facility and Seasoned Funds in special accounts established for such purpose.

Section 405. Delivery of Purchased Bonds. If Bonds are in certificated form:

(a) Bonds remarketed by the Remarketing Agent pursuant to Section 403 shall be cancelled by the Trustee, and Bonds of the appropriate subseries and in a like aggregate principal amount shall be reregistered by the Trustee in the names and shall be in Authorized Denominations set forth in the notice given to the Trustee by the Remarketing Agent pursuant to Section 403, and shall thereupon be delivered to the purchasers thereof.

(b) Bonds purchased pursuant to Section 404 with moneys derived from a draw on a Credit Facility shall not be sold by the Remarketing Agent, but shall be purchased for the account of the Borrower and delivered to or held for the benefit of the applicable Credit Provider, unless such Credit Provider provides written instructions to the Trustee to register such Bonds for the account of such Credit Provider.. Upon the written notice from the Remarketing Agent to such Credit Provider of its receipt of the Purchase Price of any Bond so held for the benefit of such Credit Provider, the Trustee shall transfer the registration thereof to the purchaser to whom such Bond has been remarketed and shall deliver the Purchase Price paid for such Bond to the Credit Provider; [provided, that no transfer of ownership from the Borrower or such Credit Provider shall occur unless and until the Trustee has received written notice from such Credit Provider that such Credit Facility has been reinstated to the Coverage Amount.]

Section 406. Dealing in Bonds. Each of the Credit Providers, the Trustee or the Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action that any Bondowner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, the Credit Providers or the Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer, the Borrower or the Credit Providers, and may act as depositary, trustee or agent for any committee or body of Bondowners secured hereby or other obligations of the Issuer as freely as if it did not act in any capacity hereunder. It is expressly understood that the Trustee in carrying out its duties hereunder shall be acting as a conduit with respect to deliveries of Bonds for purchase and purchases pursuant to Section 404.

ARTICLE V INVESTMENT OF MONEYS

Section 501. Investment of Moneys. Moneys in all Funds and Accounts, except as provided in Sections 304, 305, 312 and 1201 or as otherwise provided herein, shall be continuously invested and reinvested by the Trustee, at the written direction of the Borrower with the Administrative Agent's consent, as practicable and as provided in this Section 501, until such time or times as said moneys shall be needed for the purposes for which they were deposited. Moneys on deposit in all Funds and Accounts may be invested only in Permitted Investments; provided, that amounts held in the Debt Service Fund representing draws on a Credit Facility, remarketing proceeds, or otherwise held in the Seasoned Funds Account (after an irrevocable call of the Bonds to be redeemed with such funds) shall be held as uninvested cash; and provided further, that amounts in the Principal Reserve Fund shall be invested and reinvested by the Trustee solely in (i) tax exempt obligations rated in the highest short term rating category by Moody's or S&P, or (ii) money market mutual funds (including mutual funds of the Trustee or its affiliates) registered under the Investment Company Act of 1940, as amended, investing solely in investments described in (i) which are rated in the highest short term rating category by each Rating Agency which, in any case, shall mature or be subject to tender or redemption at par on or prior to the earlier of (1) 35 days from the date of investment or (2) the date such moneys are needed for the purposes of the applicable Reimbursement Agreement. Except with respect to amounts held pursuant to Article XII, direct investments in Government Obligations shall have a maturity prior to the date such moneys are needed for purposes of this Indenture or otherwise, but in no event longer than 30 days. The Trustee shall have no liability or responsibility for any loss or for failure to maximize earnings resulting from any investment made in accordance with the provisions of this Section 501. The Trustee shall be entitled to

assume, absent receipt by the Trustee of written notice to the contrary, that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter.

The Trustee shall sell and reduce to cash a sufficient amount of investments in a Fund or Account whenever the cash balance therein is insufficient to pay the amounts required to be paid therefrom. The Trustee may transfer investments from any Fund or Account to any other Fund or Account in lieu of cash when a transfer is required or permitted by the provisions of this Indenture.

In computing the amount of any Fund or Account, Permitted Investments purchased as an investment of moneys therein shall be valued at the then market value of such obligations, excluding any accrued interest. If the market value of such obligations is not readily available, the Trustee shall determine the value of such obligations in any reasonable manner.

The Trustee may make any and all investments permitted by the provisions of this Section 501 through its own investment department or that of its affiliates. As and when any amount invested pursuant to this Article may be needed for disbursement, the Trustee may cause a sufficient amount of such investments to be sold and reduced to cash to the credit of such funds. The Issuer acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer the right to receive brokerage confirmations of security transactions, the Issuer waives receipt of such confirmations. The Trustee shall furnish to the Issuer periodic statements which include detail of all investment transactions made by the Trustee.

Section 502. Earnings and Losses. Subject to the restrictions hereinafter set forth in this Article V, all capital gains, profits and interest earnings resulting from the investment of moneys in all Funds, including any Accounts thereof, shall be deposited into, and any loss of principal value resulting from the investment of moneys in any Fund or Account and any expenses incurred in making or disposing of investments shall be charged, when incurred, to the Fund or Account from which such investments were made.

Section 503. Certain Tax Covenants.

(a) Except as otherwise provided in subsection (b) of this Section, the Issuer covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Tax-Exempt Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Principal Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Code).

ARTICLE VI
REDEMPTION OF BONDS BEFORE MATURITY

Section 601. Limitation on Redemption. The Bonds shall be subject to redemption prior to maturity only as provided in this Article VI.

Section 602. Redemption Dates, Amounts and Prices.

(a) Mandatory Redemption. The Bonds shall be subject to mandatory redemption at a price equal to the principal amount of Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption as follows:

(i) The Bonds shall be subject to redemption in whole or in part (and if in part, in such maturities and Subseries as may be selected by the Borrower), on the first regularly scheduled Interest Payment Date on or after [_____, 20__], unless such date is extended in accordance with Section 4.2(b) of the Loan Agreement, in an amount equal to the Mortgage Loan proceeds (plus any interest earnings thereon) remaining in the Mortgage Loan Fund at the close of business on [_____, 20__] (or the fifteenth day of the second month preceding the month in which any extension of such date set for redemption ends), provided that amounts remaining in the Tax-Exempt Account of the Mortgage Loan Fund shall be used only to redeem Tax-Exempt Bonds unless an opinion of Bond Counsel is delivered to the Trustee, the Issuer and the Remarketing Agent to the effect that such redemption will not cause interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes.

(ii) The Tax-Exempt Bonds shall be subject to redemption (i) in an amount equal to the Outstanding Tax-Exempt Bonds, as soon as practicable following receipt by the Trustee of written notice from the Issuer, Borrower or Bond Counsel of a Determination of Taxability, or (ii) in whole or in part (and if in part, in such maturities and Subseries as may be selected by the Borrower), as soon as practicable, in order to prevent a Determination of Taxability (in the amount determined by Bond Counsel to be necessary to preserve the tax-exemption of interest on the Tax-Exempt Bonds that will remain Outstanding thereafter, if any).

(iii) After a Term Rate Conversion Date or a Fixed Rate Conversion Date with respect to a Subseries, the Bonds of such Subseries shall be subject to mandatory sinking fund redemption in accordance with the schedule, if any, to be provided to the Trustee and the Issuer by the Remarketing Agent and to become effective on such Conversion Date; provided that in all events the required amortization of Bonds of such Subseries shall be based on and consistent with the applicable Principal Reserve Schedule, if any; provided, further, the Borrower shall deliver to the Issuer, the Trustee and the Administrative Agent an Opinion of Bond Counsel to the effect that such amortization will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(iv) The Bonds of a Subseries shall be subject to redemption in whole or in part, on the next regularly scheduled Interest Payment Date for which notice of redemption can be given pursuant to Section 604, upon written notice to the Trustee of the determination of the Administrative Agent, in accordance with Section 5.7 of the Loan Agreement, to have the Trustee draw on the applicable Credit Facility in the amount of any net proceeds of insurance or condemnation awards in an amount not less than \$25,000 not used to repair or replace any Project or otherwise in accordance with Section 5.7 of the Loan Agreement.

(v) Upon receipt by the Trustee of written notice from the Administrative Agent or applicable Credit Provider of an “Event of Default,” as defined in and under the applicable Credit Agreement and the determination by the Administrative Agent or such Credit Provider to have the Trustee draw on such Credit Facility, the Bonds of a Subseries shall be subject to redemption in whole, within thirty (30) days of the receipt of such written notice but in no event later than the first Business Day prior to the expiration or termination of the applicable Credit Facility.

(vi) The Bonds shall be subject to redemption in whole on the first regularly scheduled Interest Payment Date for which notice of redemption can be given in accordance with Section 604, following receipt by the Trustee of written notice from the Issuer of the occurrence of an Event of Default under any Regulatory Agreement, the Tax Certificate or Section 7.1(b) of the Loan Agreement and requesting redemption of the Bonds.

(vii) The Bonds of a Subseries shall be subject to redemption in whole, as soon as practicable but not later than the fifth Business Day prior to the stated expiration or termination of the applicable Credit Facility, (A) if within (i) six (6) months after a Wrongful Dishonor, or (ii) sixty (60) days after an Act of Bankruptcy of Credit Provider or a Determination of Unenforceability, the Borrower does not cause to be delivered to the Trustee an irrevocable commitment for a Substitute Letter of Credit or Alternate Credit Facility satisfying the requirements of Sections 310 or 313, respectively; provided, that upon any acceleration of the Bonds, such six-month or 60-day opportunity to avoid mandatory redemption pursuant to this subparagraph (vii) shall cease, or (B) if, after the delivery of the irrevocable commitment described in clause (A) hereof, the Borrower does not cause to be delivered to the Trustee such Substitute Letter of Credit or Alternate Credit Facility in accordance with such commitment and Section 310(c).

(viii) The Bonds of each Subseries shall be subject to redemption in part, at the written direction of the Administrative Agent (A) on each Conversion Date in an amount not greater than the amount in the applicable Principal Reserve Account on the first day of the month prior to such Conversion Date, as applicable, or (B) on any Interest Payment Date while such Bonds bear interest at a Daily Rate, a Weekly Rate or an Index Rate, in an amount not greater than the amount in the applicable Principal Reserve Account on the first day of the month prior to such Interest Payment Date.

(ix) The Bonds of each Subseries shall be subject to redemption in part, on the first Business Day of each month while such Bonds bear interest at Variable Rates in an amount equal to the amount, if any, which is available to be applied to the redemption of Bonds pursuant to Section 308(g).

(b) Optional Redemption.

(i) Variable Rate Bonds and Index Rate Bonds are subject to redemption, in whole or in part, without premium, on any Business Day, at a price equal to the principal amount redeemed plus interest to the redemption date, upon no less than 30 days' prior written notice given to the Trustee by the Borrower and approved by the applicable Credit Provider (with a copy to the Issuer and the Remarketing Agent) in advance of such date.

(ii) Flexible Rate Bonds and Term Rate Bonds are subject to redemption, in whole or in part, without premium, on the day following the end of any Flexible Rate Period or Term Rate Period, at a price equal to the principal amount redeemed plus

interest to the redemption date, upon no less than 30 days' prior written notice given to the Trustee by the Borrower and approved by the applicable Credit Provider (with a copy to the Issuer and the Remarketing Agent) in advance of such date.

(iii) Upon and after the Fixed Rate Conversion Date for a Subseries, the Bonds of such Subseries may be redeemed upon 45 days' prior written notice from the Borrower to the Trustee (with copy to the Issuer) in part on July 1 or December 1 or in whole on any Business Day, at a redemption schedule to be determined by the Remarketing Agent at the time of Conversion, provided, that the Trustee must receive (a) the written consent to the redemption schedule from the provider of the applicable Letter of Credit or Alternate Credit Facility to be in effect while the Bonds of such Subseries are at a Fixed Rate, and (b) an Opinion of Bond Counsel addressed to the Issuer, the Trustee and the Remarketing Agent to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Tax-Exempt Bonds.

The Trustee shall give notice to Bondowners of any optional redemption of Bonds in accordance with Section 604; provided, that (i) the requirements of Section 5.4 of the Loan Agreement have been met, (ii) the applicable Credit Provider has given its written consent if the applicable Credit Facility is to be drawn upon to pay the principal portion of the prepayment and (iii) if a premium is required and is not payable with proceeds of a draw on such Credit Facility in accordance with its terms or the principal portion of the prepayment is not to be made from proceeds of such Credit Facility, the Trustee shall have Seasoned Funds on deposit to pay such principal and/or premium prior to giving such notice. Conditional notice may be given. Such notice may be rescinded by the Trustee if funds are not or will not be available on the date fixed for redemption.

Section 603. Partial Redemption. All or a portion of any Bond may be redeemed, but only if the unredeemed portion is in a principal amount equal to an Authorized Denomination. Unless otherwise directed by the Borrower, the Trustee shall select the Bonds of a subseries to be redeemed, first from among Bank Bonds of such subseries, if any, until no Bank Bonds of such subseries remain Outstanding. The Trustee shall provide notice of the redemption of Bonds to DTC in accordance with the Letter of Representations.

In the event that fewer than all Bonds Outstanding are to be redeemed while the Bonds are at other than a Fixed Rate, the Trustee shall consider each \$5,000 of principal of a Bond in excess of the minimum Authorized Denomination of principal as a separate bond for purposes of selection and shall select the necessary number of \$5,000 principal portions for redemption in a random manner. In the event that following this method of selecting portions of Bonds for redemption all Bonds are at the minimum Authorized Denomination and an additional amount of less than the minimum Authorized Denomination is to be redeemed, the Trustee shall select a Bond from among the remaining Bonds and redeem that single Bond in part so that following such redemption such Bond will be in an outstanding principal amount of less than the minimum Authorized Denomination, but only if the principal amount of such Bond is in a multiple of \$5,000. No more than one Bond may have a principal amount of less than the minimum Authorized Denomination at any time. In the event that fewer than all of the Bonds Outstanding are to be redeemed while the Bonds are at a Fixed Rate, the Trustee shall select Bonds to be redeemed in accordance with written instructions contained in a Supplemental Indenture or otherwise provided to the Trustee and the Issuer by the Remarketing Agent and approved by the Borrower on the Fixed Rate Conversion Date. If Bank Bonds are to be called, the Trustee shall provide notice of such selection to DTC in accordance with the Letter of Representations.

Upon surrender of any Bond for redemption in part, the Issuer shall execute and the Trustee shall authenticate and deliver to the owner thereof a new Bond or Bonds of Authorized Denominations of the same maturity and in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 604. Notice of Redemption. For so long as the Bonds are held in book-entry form, notices of redemption shall be given by the Trustee solely in accordance with the Letter of Representations. The Trustee shall give notice of redemption pursuant to this Article VI not less than 30 days and not more than 40 days prior to the date fixed for redemption; except for notice of redemption pursuant to Section 602(a)(ii), 602(a)(vii), 602(b)(i) or 602(b)(ii), which shall be given not less than 10 days prior to the date fixed for redemption, and Section 602(a)(v) which shall be given as soon as practicable, but in no event later than the date fixed for redemption (which notice shall be deemed given when mailed). All notices of redemption pursuant to Section 602 shall be sent by first-class mail, postage prepaid, to the applicable Credit Provider, the Issuer, the Borrower, the Remarketing Agent and the Registered Owner of each Bond to be redeemed at the address of such Owner as shown on the Bond Register; provided, however, that no such notice of redemption shall be mailed unless on or prior to the date of mailing the Trustee (i) has the authority to make a draw on the applicable Credit Facility in an amount sufficient to pay principal of, premium, if any, and interest on such Bonds on the dates set for redemption to redeem such Bonds or (ii) has such authority with respect to principal and interest and subject to Section 602(b), has received and has on deposit Seasoned Funds in an amount sufficient to pay the premium, if any, due upon such redemption. Neither the failure of a Bondowner to receive notice by mail nor any defect in any notice so mailed shall affect the validity of the proceedings for such redemption. Such notice shall state the redemption date, the redemption price, the amount of accrued interest payable on the redemption date, the premium, if any, the place at which the Bonds are to be surrendered for payment, that from the redemption date interest on the Bonds to be redeemed will cease to accrue, and, if less than all of the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice mailed as provided in this Section 604 shall be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice.

The Trustee shall provide additional notice of redemption to Bondowners in the event Bonds are not presented for payment within sixty (60) days of the date fixed for redemption.

Notice may be given on a conditional basis.

Section 605. Payment Upon Redemption. Upon presentation and surrender of any such Bonds at the Principal Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the principal of, premium, if any, and interest on such Bonds to the extent of moneys received for such purpose.

Section 606. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 604, the Bonds or portions thereof designated for redemption shall become due and payable on the date fixed for redemption and, unless the Issuer defaults in the payment of the principal thereof, premium, if any, and interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption whether or not such Bonds are presented and surrendered for payment on such date. If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender thereof for redemption, such Bond or portion

thereof shall continue to bear interest at the rate set forth thereon until paid or until due provision is made for the payment of same.

(b) If the Bonds are redeemed pursuant to Section 602(a)(iv) and the Trustee holds any proceeds of insurance or condemnation awards, the Trustee shall, as soon as practicable following such redemption, remit to the Borrower any such insurance or condemnation proceeds that have not been used to first reimburse the applicable Credit Providers for payment of a draw on the applicable Credit Facilities to redeem the Bonds and then to redeem the Bonds.

Section 607. Purchase of Bonds. The Issuer reserves the right to direct the Trustee to acquire Bonds in the open market from amounts on deposit in the applicable Accounts of the Debt Service Fund at a price that is not more than the amount required to redeem such Bonds on the next applicable redemption date with respect thereto. Unless the Issuer expressly directs the Trustee to cancel Bonds purchased in accordance with this Section 607, it is the intention of the Issuer that the purchase of Bonds pursuant to this Section 607 shall not constitute a merger or extinguishment of the indebtedness of the Issuer evidenced by the Bonds so purchased or of the indebtedness of the Borrower under the Mortgage Loan.

Section 608. Special Purchase in Lieu of Redemption.

(a) Purchase Option. If all Outstanding Bonds of a Subseries are called for redemption in whole under (i) Section 602(a)(v) due to an Event of Default under a Reimbursement Agreement, or (ii) Section 602(a)(vii)(B) due to the failure to deliver a Substitute Letter of Credit or Alternate Credit Facility, such Bonds may, in lieu of such redemption, be purchased ("Special Purchase Bonds") by the Trustee, at the written direction of the applicable Credit Provider to the Trustee. Any Bonds purchased pursuant to this Section 6.08 shall be (i) registered in the name of or for the account of the applicable Credit Provider, or (ii) upon notice from such Credit Provider to the Trustee with respect to book-entry Bonds, registered in the name of the book-entry depository (or in such depository's street name) for the account of the Borrower, but with such Credit Provider as pledgee thereof. Any purchase of Bonds pursuant to this Section 608 shall be in whole and not in part. Such purchase shall be made on the date the Bonds are otherwise scheduled to be redeemed (the "Special Purchase Date"). The purchase price of the Special Purchase Bonds shall be equal to the principal amount of the Special Purchase Bonds plus accrued interest, if any, to the purchase date. The payment source for Special Purchase Bonds shall consist solely of funds to be advanced by the applicable Credit Provider under the applicable Credit Facility.

(b) Special Purchase Bonds. Bonds to be purchased under Section 608(a) which are not delivered to the Trustee on the Special Purchase Date shall be deemed to have been so purchased and not redeemed on the Special Purchase Date and shall cease to accrue interest to the former owner on the Special Purchase Date. Special Purchase Bonds shall be (i) registered in the name of or for the account of the applicable Credit Provider, or (ii) upon notice from the applicable Credit Provider to the Trustee with respect to book-entry Bonds, shall be registered in the name of the book-entry depository (or in such depository's street name) for the account of the Borrower, but with such Credit Provider as pledgee thereof. Following such purchase, such Credit Provider shall be the owner of such Bonds for all purposes under this Indenture and interest accruing on such Bonds from and after the Special Purchase Date shall be payable solely to such Credit Provider. Notwithstanding anything herein to the contrary, the Special Purchase Bonds shall be deemed paid and redeemed on the date that is twelve months

after the Special Purchase Date unless the Issuer agrees in writing to extend the period during which Special Purchase Bonds may remain Outstanding.

(c) Notice. Notice of the election by a Credit Provider to purchase Bonds otherwise called for redemption under Section 608(a) shall be delivered in writing to the Trustee, the Remarketing Agent, the Borrower, the Issuer and the Rating Agency no later than two Business Days prior to the date otherwise scheduled for redemption of the Bonds.

(d) Bonds Remain Outstanding. It is the intention of the Issuer that the purchase of Bonds pursuant to this Section 608 shall not constitute a merger or extinguishment of the indebtedness of the Issuer evidenced by the Bonds so purchased or of the indebtedness of the Borrower under the Mortgage Loan. Special Purchase Bonds shall for all purposes be regarded as Outstanding under this Indenture, except as otherwise expressly provided in this Section 608 and in this Indenture. Upon the purchase of any Bond pursuant to this Section 608, the notice of redemption previously given with respect to such Bond shall be deemed to be a notice of mandatory tender of such Bond.

The Special Purchase Bonds shall be remarketed by the Remarketing Agent upon receipt by the Trustee and the Remarketing Agent of notice from the applicable Credit Provider that the Credit Facility has been reinstated or upon receipt of one or more Substitute Letters of Credit meeting the requirements of Section 310.

(e) Limitations on Transfer of Bonds. Notwithstanding anything to the contrary herein, Special Purchase Bonds may not be transferred to another Registered Owner without the written approval of the Issuer. Any approved transfer must be of all of the Outstanding Special Purchase Bonds to a single Registered Owner that is an Approved Transferee.

ARTICLE VII PAYMENT; FURTHER ASSURANCES

Section 701. Payment of Principal or Redemption Price of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or redemption price of and the interest on the Bonds when due, but shall be required to make such payment or cause such payment to be made only out of Revenues.

The Issuer hereby designates the Principal Office of the Trustee as the principal place of payment for the Bonds, and the Trustee as paying agent for the Bonds, such appointment and designation to remain in effect until notice of change is filed with the Trustee pursuant to the terms of this Indenture.

Section 702. Power to Issue Bonds and Make Pledge and Assignment. The Issuer is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Trust Estate in the manner and to the extent provided in this Indenture and hereby does pledge and assign to the Trustee all Revenues and all other rights to the Mortgage Loan Documents to the extent set forth in the Granting Clauses hereof. The Bonds and the provisions of this Indenture are and will be legal, valid and binding special, limited obligations of the Issuer in accordance with their terms, and the Issuer and Trustee (subject to the limitations contained in this Indenture including Section 901(g)) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of the Trust Estate and all the rights of the Bondowners under this Indenture against all claims and demands of all Persons

whatsoever, and the Issuer will take all necessary steps to preserve the exemption from taxation of interest on the Tax-Exempt Bonds; provided, that the Trustee may rely on the written investment instructions of the Borrower approved by the Administrative Agent.

Section 703. Further Assurances. Except to the extent otherwise provided in this Indenture, the Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondowners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be reasonably necessary or proper to carry out the purposes of this Indenture.

Section 704. Immunities and Limitations of Responsibility of Issuer. The Issuer shall be entitled to the advice of Counsel (who, except as otherwise provided herein, may be counsel for any Bondowner), and the Issuer shall be wholly protected as to action taken or omitted in good faith (which shall not include actions taken or omitted that constitute gross negligence or willful misconduct) in reliance on such advice. The Issuer may rely conclusively on any communication or other document furnished to it hereunder and reasonably believed by it to be genuine. The Issuer shall not be liable for any action (a) taken by it in good faith and reasonably believed by it to be within its discretion or powers hereunder, or (b) in good faith omitted to be taken by it because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to be taken by it by reason of the lack of any direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds or for other acts or defaults by any Person, except for the negligence or willful misconduct of its own members, agents, officers and employees. When any payment or consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence (if any) as it may require in support thereof. The Issuer shall not be required to take any remedial action (other than the giving of notice) unless indemnity in a form acceptable to the Issuer is furnished for any cost or liability to be incurred in connection with such remedial action, other than liability for failure to meet the standards set forth in this Section. As provided herein and in the Loan Agreement, the Issuer shall be entitled to reimbursement for its costs reasonably incurred or advances reasonably made, with interest at the rate of 1.5% per month, in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which it may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect its subsequent exercise of the right or power.

Section 705. Additional Instruments. The Issuer shall cause this Indenture or a financing statement or other similar document relating thereto to be filed in such manner and at such places as may be required by law, if any, to protect the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. From time to time, the Trustee may but shall not be required to obtain an opinion of Counsel as an extraordinary expense setting forth what, if any, actions by the Issuer or the Trustee should be taken to preserve the lien of this Indenture upon the Trust Estate or any part thereof. The Issuer shall execute or cause to be executed any and all further instruments (including UCC continuation statements, if applicable) as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondowners, and shall furnish satisfactory evidence to the Trustee of filing and refiling of such instrument and of every additional instrument which shall be necessary to preserve the lien of this Indenture upon the Trust Estate or any part thereof until the principal of, premium, if any, and interest on the Bonds issued hereunder shall have been paid. The Trustee and the Issuer shall, if necessary, execute or join

in the execution of any such further or additional instruments and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of this Indenture upon the Trust Estate or any part thereof until the aforesaid principal, premium, if any, and interest shall have been paid.

Section 706. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any interest thereon, and in case the maturity of any of the Bonds or the time of payment of interest shall be extended, such Bonds shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of and interest on all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this section shall be deemed to limit the right of the Issuer to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 707. Encumbrances; Cross Default. Neither the Issuer nor the Trustee shall create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Trust Estate or the Mortgage Loan Documents while any of the Bonds are Outstanding, except the pledge and assignment (if any) created or to be created by this Indenture, the Regulatory Agreement, and the Deed of Trust, without the prior written consent of the Administrative Agent; provided, that with the prior written consent of the Administrative Agent, any subsequent subordinate or parity financing may be cross-defaulted with the Bonds so long as a default will not cause a discharge or termination of the Regulatory Agreement. Subject to this limitation, the Issuer expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, and reserves the right to issue other obligations for such purposes.

Section 708. Payment of Taxes and Claims. The Issuer shall pay or cause the Trustee to pay, but only out of funds, if any, made available by or on behalf of the Borrower expressly for such purposes, any property taxes, assessments or other governmental charges that may be lawfully imposed upon the Trust Estate, when the same shall become due if not paid by the Borrower, as well as any lawful claim which, if unpaid, might by law become a lien or charge upon the Trust Estate or which might impair the security of the Bonds.

Section 709. Mortgage Loan Documents. The Mortgage Loan Documents set forth certain covenants and obligations of the Issuer, the Trustee and the Borrower and reference is hereby made to such documents for a detailed statement of such covenants and obligations. If (i) any of the Bonds remain outstanding or (ii) any obligations of the Borrower under any Credit Agreement remain undischarged and the applicable Credit Provider is not in default under such Credit Facility, the Issuer and the Trustee shall each faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Mortgage Loan Documents.

The Issuer and the Trustee shall each take no action, shall permit no action to be taken by others within its control and shall not knowingly omit to take any action, which action or omission might release the Borrower from its liabilities or obligations under the Mortgage Loan Documents or a Credit Provider from its obligations under its Credit Facility or result in the surrender, termination, amendment or modification of, or impair the validity of, such documents.

The Issuer covenants to enforce diligently, to the extent it is entitled so to do, all covenants, undertakings and obligations of the Borrower under the Mortgage Loan Documents and of the Credit Providers under each Credit Facility, and, subject to the following sentence,

hereby authorizes and directs the Trustee, as assignee of the Issuer, to enforce or cause to be enforced any and all of its rights under the Mortgage Loan Documents and each Credit Facility on behalf of the Issuer and the Owners of the Bonds, subject to the terms of the Deed of Trust and the Bond Intercreditor Agreement. The Issuer reserves the right to enforce its rights under the Regulatory Agreement; provided, that the Trustee is authorized to enforce such rights in accordance with the terms of the Regulatory Agreement so long as Bonds are Outstanding. Notwithstanding the foregoing, the Trustee and the Issuer agree that the Administrative Agent shall be entitled to direct the Trustee's enforcement and exercise of any approval or other rights granted by the Issuer to the Trustee in this paragraph with respect to any Bonds (but expressly excluding from this assignment any Unassigned Rights and any rights under the Credit Facilities, the Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Tax Certificate) for so long as and on the condition that (i) there has been no Wrongful Dishonor under any applicable Credit Facility, and (ii) no Determination of Unenforceability of any applicable Credit Facility has occurred; provided, however, that the Administrative Agent shall be entitled to direct the Trustee's enforcement and exercise of any approval or other rights granted by the Issuer to the Trustee in this paragraph with respect to any Bonds with respect to which the applicable Credit Provider has made unreimbursed payments of any principal or Purchase Price of, or interest on, such Bonds, notwithstanding any subsequent failure to satisfy either of the conditions described in the foregoing clauses (i) or (ii).

If the Bonds have been paid in full but any of the Borrower's obligations under a Credit Agreement remain undischarged, this Indenture shall remain in effect to continue to secure any such undischarged obligations provided that the applicable Credit Provider is not in default under such Credit Facility. In such event, such Credit Provider shall become subrogated to the Issuer's and the Trustee's rights under the Mortgage Loan Documents, and the Issuer and the Trustee agree to execute, deliver and file, at such Credit Provider's expense, such assignments, agreements and other instruments as may be appropriate to effectuate such subrogation. In such event, in addition to such subrogation, at such Credit Provider's request, the Issuer and the Trustee shall assign their respective rights under the Mortgage Loan Documents (other than any Unassigned Rights and any rights under such Credit Facility, the Regulatory Agreement, the Continuing Disclosure Agreement, the Bond Purchase Agreement and the Tax Certificate) to such Credit Provider and agree to execute, deliver and file, at such Credit Provider's expense, such assignments, agreements and other instruments as may be appropriate to effectuate such assignment.

Subject to the provisions hereof, the Trustee hereby acknowledges, accepts and agrees to the terms, conditions, appointments and agencies of the Loan Agreement as they relate to it and its participation in the transactions contemplated thereby.

The Trustee shall retain possession of the executed originals of (i) the Mortgage Loan Documents on behalf of the Issuer and the Credit Providers, and (ii) each Credit Facility on behalf of the Issuer, and shall release the same only in accordance with the provisions thereof. The Mortgage Loan Documents and each Credit Facility shall be available for inspection at reasonable times during regular business hours, under reasonable conditions, by the Issuer, the Administrative Agent, the Remarketing Agent, the Borrower and any Owner of any Bond.

The obligations of the Trustee under this Section 709 are subject to the Trustee's rights to compensation, reimbursement and indemnification under Article IX.

Section 710. List of Bondowners. The Trustee, as the Bond Registrar, will keep on file in the Bond Register a list of names and addresses of all Bondowners registered in the Bond

Register together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer, the Administrative Agent, the underwriter of the Bonds, the Remarketing Agent or by any Owner of Bonds then Outstanding (or a designated representative thereof), such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 711. Compliance With Indenture, Contracts. The Issuer and the Trustee shall faithfully observe and perform all the covenants, conditions and requirements of this Indenture, shall not issue any Bonds in any manner other than in accordance with this Indenture, and shall not suffer or permit any default to occur hereunder or do or permit to be done anything that might in any way weaken, diminish or impair the security intended to be given pursuant to this Indenture except as specifically permitted herein. Subject to the limitations and consistent with the covenants, conditions and requirements contained in this Indenture, the Bond Intercreditor Agreement and the Deed of Trust, the Issuer and the Trustee shall comply with the express terms, covenants and provisions of all contracts concerning or affecting the application of proceeds of the Bonds or Revenues to which they are a party, respectively.

Section 712. Maintenance of Powers. As long as any of the Bonds are Outstanding, the Issuer shall use its best efforts to preserve its existence under the Act, and will not be dissolved or lose its right to exist as such or lose any rights necessary to enable it to function and to maintain the Revenues. The Issuer shall at all times use its best efforts to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, or assure the assumption of its obligations under the Loan Agreement and this Indenture by any corporation or political subdivision succeeding to its powers, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Bonds or the observance of any of the covenants herein contained.

Section 713. Opinions of Bond Counsel. Whenever Bond Counsel renders an opinion to the effect that some action taken in accordance with this Indenture does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds, the opinion shall be addressed to the Issuer, the Trustee and the Remarketing Agent.

Section 714. Tax Covenants. The Issuer covenants to and for the benefit of the Beneficial Owners of the Tax-Exempt Bonds, notwithstanding any other provisions of this Indenture or of any other instrument, as follows:

(a) Regulatory Agreement. The Issuer shall enforce or cause to be enforced all obligations of the Borrower under the Regulatory Agreement in accordance with its terms and seek to cause the Borrower to correct any violation of the Regulatory Agreement within a reasonable period after any such violation is first discovered by the Issuer, to the extent necessary in order to assure that interest paid by the Issuer on the Tax-Exempt Bonds will be excluded from the gross income of the Beneficial Owners of the Tax-Exempt Bonds, for federal income tax purposes, pursuant to Section 103 of the Code, except in the event where any Beneficial Owner of the Tax-Exempt Bonds or a portion thereof is a "substantial user" of the facilities financed with the Tax-Exempt Bonds or a "related person" within the meaning of Section 147(a) of the Code;

(b) Qualified Residential Rental Project Exempt Facility Bonds. The Issuer shall assure that the proceeds of the Tax-Exempt Bonds are used in a manner such that the Tax-

Exempt Bonds will satisfy the requirements of section 142(d) of the Code relating to qualified residential rental projects.

(c) Federal Guarantee Prohibition. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(d) Rebate Requirement. The Issuer shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Tax-Exempt Bonds.

(e) No Arbitrage. The Issuer shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(f) Maintenance of Tax-Exemption. The Issuer shall take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Beneficial Owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds.

(g) Private Activity Volume Cap. The Tax-Exempt Bonds upon issuance and delivery shall be considered "private activity bonds" within the meaning of the Code with respect to which the California Debt Limit Allocation Committee has transferred a portion of the State of California's private activity bond allocation (within the meaning of section 146 of the Code) equal to the principal amount of the Tax-Exempt Bonds.

(h) Limitation on Issuance Costs. The Issuer covenants that, from the proceeds of the Tax-Exempt Bonds and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Tax-Exempt Bonds will be used for costs of issuance of the Tax-Exempt Bonds, all within the meaning of section 147(g)(1) of the Code. For this purpose, if the fees of the underwriters of the Tax-Exempt Bonds are retained as a discount on the purchase of the Tax-Exempt Bonds, such retention shall be deemed to be an expenditure of Proceeds of the Tax-Exempt Bonds for said fees.

(i) Limitation of Expenditure of Proceeds. The Issuer covenants that not less than 95 percent of the net proceeds of the Tax-Exempt Bonds (within the meaning of section 150(a)(3) of the Code) are paid for Qualified Project Costs.

(j) Limitation on Land. The Issuer covenants that less than twenty-five percent (25%) of the proceeds of the Bonds shall be used, directly or indirectly, for the acquisition of land.

(k) Existing Facilities Limit. The Issuer covenants that no proceeds of the Tax-Exempt Bonds shall be used for the acquisition of any tangible property or an interest therein, other than land or an interest in land, unless the first use of such property is pursuant to such acquisition; provided, however, that this limitation shall not apply with respect to any building (and the equipment therefor) if rehabilitation expenditures (as defined in section 145(d) of the

Code) with respect to such building equal or exceed 15 percent of the portion of the cost of acquiring such building (and equipment) financed with proceeds of the Tax-Exempt Bonds; and provided, further, that this limitation shall not apply with respect to any structure other than a building if rehabilitation expenditures with respect to such structure equal or exceed 100 percent of the portion of the cost of acquiring such structure financed with the proceeds of the Tax-Exempt Bonds.

(l) Certain Uses Prohibited. The Issuer covenants that no proceeds of the Tax-Exempt Bonds shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises, and no portion of the proceeds of the Tax-Exempt Bonds shall be used for an office unless (i) the office is located on the premises of the facilities constituting the Project and (ii) not more than a de minimis amount of the functions to be performed at such office is not related to the day-to-day operations of the Project.

(m) Income Targeting. The Issuer hereby elects to have the Project meet the requirements of section 142(d)(1)(A) of the Code in that twenty percent (20%) or more of the residential units in the Project shall be occupied by persons or families whose Adjusted Income (as defined in the Regulatory Agreement) is fifty percent (50%) or less of Median Income for the Area (as defined in the Regulatory Agreement), adjusted for household size. The Issuer hereby elects to have Section 142(d)(4)(B) (deep rent skewing) apply to the Very Low Income Units (as defined in the Regulatory Agreement) in the Project.

In furtherance of the covenants in this Section 714, the Issuer shall execute, deliver and comply with the provisions of the Tax Certificate, which are by this reference incorporated into this Indenture and made a part of this Indenture as if set forth in this Indenture in full.

For purposes of this Section 714 the Issuer's compliance shall be based solely on matters within the Issuer's knowledge and control and no acts, omissions or directions of the Borrower, the Trustee or any other Persons shall be attributed to the Issuer. The Issuer's representations and its compliance with the covenants on its part in this Section 714 are subject to the accuracy of the representations of the Borrower and the compliance by the Borrower with the agreements on its part contained in Section 6.4 of the Loan Agreement.

Any action or inaction of the Issuer shall be deemed to comply with the foregoing covenants if it relies on a legal opinion of Bond Counsel to the effect that the proposed action or inaction will so comply or that it will not in and of itself have an adverse effect on any exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

ARTICLE VIII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDOWNERS

Section 801. Defaults; Events of Default. If any of the following events occurs, it is hereby defined as and declared to be and to constitute a Default and an Event of Default:

(a) Failure to make payment of any installment of interest upon any Bond when the same shall have become due and payable;

(b) Failure to make due and punctual payment of the principal or Purchase Price or premium, if any, on any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof, upon the maturity thereof by declaration or on any Demand Date;

(c) Any representation or warranty made by the Issuer in this Indenture or the Bonds is determined by the Trustee to have been untrue in any material respect when made;

(d) Any failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed and performed under the Indenture or the Bonds, other than as referred to in subsections (a) or (b) of this Section, continues for a period of 60 days after written notice specifying such breach or failure and requesting that it be remedied, given to the Issuer, the Borrower and the Bondowners by the Trustee or to the Issuer, the Borrower and the Trustee by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, unless (i) the Trustee agrees in writing to an extension of such time prior to its expiration or (ii) if the breach or failure be such that it cannot be corrected within the applicable period, corrective action is instituted by the Issuer, or by the Borrower, if such action can be taken by the Borrower, within the applicable period and is being diligently pursued; or

(e) Any failure by the Borrower to observe and perform its obligations under Section 5.6(a) of the Loan Agreement.

The occurrence of an event described in clauses (a) and (b) of this Section 801 shall not constitute a Default or Event of Default with respect to any Special Purchase Bonds so long as any Borrower payments of principal and interest received by the Trustee under the Loan Agreement are paid to the Owner of the Special Purchase Bonds (or to the applicable Credit Provider if the Special Purchase Bonds are held by such Credit Provider, as pledgee, for the account of the Borrower).

Section 802. Acceleration of Maturities.

Upon the occurrence of an Event of Default specified in clauses (a) or (b) of Section 801, the Trustee shall, subject to the provisions of Sections 809 and 810, notify Bondowners of the affected Subseries and declare the aggregate principal amount of such Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided, that if a Credit Facility is drawn upon to pay the amounts so accelerated and is not Wrongfully Dishonored by the Credit Provider thereof, interest on such accelerated Bonds will cease to accrue upon declaration of acceleration.

Upon the occurrence of an Event of Default specified in clause (c) of Section 801 and so long as such event is continuing, subject to Sections 809 and 810, the Trustee may, and upon receipt of notice given by the Owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding shall, declare the aggregate principal amount of all Bonds then Outstanding and the interest accrued thereon (to the date fixed for payment of such principal) immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

Notwithstanding any other provision of this Indenture, the Trustee may not exercise any remedy under this Section 802 without the prior written consent of the applicable Credit Provider, so long as the applicable Credit Facility is in effect and the applicable Credit Provider has not Wrongfully Dishonored such Credit Facility. The Trustee may exercise any and all

remedies under the Indenture and the Loan Agreement (except acceleration or foreclosure of the Deed of Trust) to collect any fees, expenses and indemnification from the Borrower without obtaining the consent of any Credit Provider. If the Credit Provider for a Subseries of Bonds is the Trustee or a corporate affiliate of the Trustee, upon an Event of Default specified in clauses (a), (b), or (c) of Section 801 hereof, so long as there is no continuing Wrongful Dishonor of such Credit Facility, said Credit Provider shall be solely entitled to direct in writing the acceleration of the maturity of such Bonds, and the Trustee shall have no discretion with respect thereto; provided, however, the foregoing shall not affect or restrict the ability of the Trustee to draw on a Credit Facility to redeem such Bonds in accordance with Section 602 and the provisions of Article VI.

Immediately upon acceleration, the Trustee shall draw on the applicable Credit Facilities as provided below and take such action as is necessary to pay the applicable Bonds out of the proceeds of the draws on such Credit Facilities at the earliest possible date after providing the Bondowners with a notice of acceleration in the manner provided for a notice of redemption in Section 604. The amount drawn under such Credit Facilities shall equal the aggregate unpaid principal and interest on the applicable Bonds Outstanding to the payment date fixed by the Trustee for payment of such Bonds. In the event of a Wrongful Dishonor on any Credit Facility, the Trustee shall, subject to Section 901(g) and (i), take whatever action at law or in equity may appear necessary or desirable to the Trustee to collect the moneys necessary to pay the applicable Bonds.

If a Credit Provider honors the Trustee's properly presented and conforming draw upon a Credit Facility after an acceleration of the maturity of a Subseries of the Bonds, the Trustee shall (1) execute such documents reasonably required by the Administrative Agent to assign a pro-rata share of the Trustee's right, title and interest in the Mortgage Note and the Deed of Trust to the Administrative Agent, and (2) transfer to the Administrative Agent all moneys then on deposit in the applicable Principal Reserve Account, Purchase Account and Debt Service Account.]

The above provisions of Sections 801 and 802 are subject to the conditions that if, after the principal of all Bonds then Outstanding shall have been so declared to be due and payable and prior to the Trustee's draws on the Credit Facilities referred to hereinabove for the amounts so declared to be due and payable, all arrears of interest upon such Bonds, and interest on overdue installments of interest (to the extent permitted by law) other than by acceleration at the rates of interest then in effect on the Bonds, and the principal of all Bonds then Outstanding which shall have become due and payable other than by acceleration, and all other sums payable under this Indenture, except the principal of, and interest on, the Bonds which by such declaration shall have become due and payable, shall have been paid by or on behalf of the Issuer together with the reasonable fees and expenses of the Trustee, the Issuer and the Bondowners, including reasonable attorneys' fees and expenses paid or incurred, then and in every such case, but only upon receipt by the Trustee of the express written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall annul such declaration of maturity and its consequences, which waiver and annulment shall be binding upon all Bondowners; provided, that such waiver, rescission and annulment shall not extend to or affect any subsequent default or impair any right or remedy consequent thereon. In the case of any such annulment, the Credit Providers, the Issuer, the Trustee, the Borrower and the Bondowners shall be restored to their former positions and rights under this Indenture. Prior to any such annulment or waiver, Credit Facilities or Alternate Credit Facilities in the Coverage Amount must be in full force and effect.

Nothing contained in this Section 802, however, shall be construed to allow the Trustee to permit its rights, on behalf of the Bondowners, under the Credit Facilities, to be reduced, to lapse or otherwise to be extinguished.

Section 803. Remedies; Rights of Bondowners. In addition to the remedies specified in Section 802 and subject to the provisions of Section 709 and the Bond Intercreditor Agreement, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceedings upon the occurrence of an Event of Default, to enforce the payment of the principal and the Purchase Price of and interest on the Bonds then Outstanding, and to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth. Subject to Section 709, which limits the authority of the Issuer to exercise its remedies under the Deed of Trust, and subject further to the provisions of the Bond Intercreditor Agreement, the Trustee may, upon notice to the Issuer, the Administrative Agent and the Borrower, but without the consent of the Issuer, the Administrative Agent or the Borrower, exercise any and all remedies afforded the Issuer under any Mortgage Loan Documents, other than enforcement of the Unassigned Rights. Notwithstanding anything to the contrary, the Trustee shall not be required to cause the foreclosure of the Deed of Trust or to bid at any foreclosure sale if, in the Trustee's reasonable judgment, such action would subject it to personal liability, expense, or loss, including the cost of investigation, removal, or other remedial action with respect to the environmental condition of the Project. The Trustee shall not be required to take any action with respect to the Project that could cause it to be considered an "owner" or "operator" within the meaning of the CERCLA, as amended, or any other statute dealing with hazardous substances; and the Trustee shall have no authority to manage or operate the Project, except as necessary to exercise remedies upon default.

Subject to Section 804 and Section 810, if an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding, and the Trustee shall have been indemnified to its satisfaction as provided in Section 901, the Trustee may exercise such one or more of the rights and powers conferred by this Section 803 and Section 802 as the Trustee in its discretion being advised by its Counsel deems most expedient in the interests of the Bondowners.

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

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

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

Section 804. Right of Bondowners to Direct Proceedings. Except as otherwise provided in Sections 809 and 810, and upon and subject to the Trustee's right to indemnification pursuant to Section 901, and subject to the limitations imposed on the Trustee by the Bond Intercreditor Agreement, the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding have the right, at any time there is an Event of Default under

Section 801, by an instrument or instruments in writing executed and delivered to the Trustee and the Administrative Agent, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture, and that the Trustee has the right to decline to follow any such direction if the Trustee is advised by Counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith determines that the action or proceeding so directed would involve the Trustee in personal liability or would be materially adverse to the interests of non-directing Bondowners, and the Trustee may conclusively rely upon such opinion of Counsel. Notwithstanding the foregoing, if one or more Credit Facilities are in effect with respect to the Bonds and no Wrongful Dishonor has occurred thereunder, the Administrative Agent shall have the rights granted to the Bondowners in this Section 804, and the Bondowners shall not have any such rights.

Section 805. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment to the Trustee of its fees and expenses then due and owing and its reasonable expenses and attorneys' fees incurred in exercising its rights and remedies under this Article VIII, shall be transferred, to the extent necessary to pay the principal of and interest on all Outstanding Bonds, to the Debt Service Fund, with such moneys to be deposited in the Accounts thereof in the order provided therein; provided that all funds drawn under a Credit Facility, all Seasoned Funds (after notice of redemption) and all remarketing proceeds shall be used only to pay the principal or Purchase Price of or, premium, if any, and interest on Bonds. Nothing herein shall be construed to relieve the Borrower of any obligation to pay fees and expenses as provided in Article V and Section 6.8 of the Loan Agreement.

Section 806. Remedies Vested in the Trustee. All rights of action (including the right to file proofs of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondowners, and any recovery or judgment shall be for the equal and ratable benefit of the Owners of the Outstanding Bonds.

Section 807. Limitation on Rights and Remedies of Bondowners. No Bondowner shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder unless (1) an Event of Default has occurred of which the Trustee has been notified, (2) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered the Trustee reasonable opportunity either to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity satisfactory to the Trustee as provided in Section 901, and (3) the Trustee shall for a period of 60 days thereafter fail or refuse to exercise the powers herein granted, or to institute such action, suit or proceeding in its own name as Trustee; and such notification, request and offer of opportunity and indemnity are hereby declared in every case to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. No one or more Bondowners shall have any right in any manner whatsoever to enforce any right hereunder except in the manner herein provided, and all

proceedings at law or in equity must 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. The rights and remedies of the Bondowners in this Indenture are subject to the further limitations of the Bond Intercreditor Agreement. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to enforce the payment of the principal and Purchase Price of, and premium, if any, and interest on, any Bonds at and after the maturity thereof.

Section 808. Termination of Proceedings. In case the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceeding is discontinued or abandoned for any reason, or is determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Bondowners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee will continue as if no such proceedings had been taken.

Section 809. Waivers of Events of Default. The Trustee may, in its discretion, waive any Event of Default hereunder and rescind its consequences and shall do so upon the written direction of the Administrative Agent or written direction of the Owners of not less than a majority in aggregate principal amount of all Bonds then Outstanding; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal or Purchase Price of any Outstanding Bonds when due (whether at maturity or by redemption or as a result of acceleration) or (b) any Event of Default in the payment when due of the interest on any such Bonds, unless prior to such waiver and rescission all arrears of interest and all arrears of principal and Purchase Price when due, as the case may be, together, in either case, with the moneys due and owing to the Trustee, including reasonable attorneys' fees paid or incurred, shall have been paid or provided for, and the Owners of all Bonds then Outstanding approve such waiver. Notwithstanding any provisions hereof to the contrary, any declaration pursuant to Section 802 hereof made at the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall not be waived except as they may be annulled pursuant to Section 802. In the case of any such waiver and rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver and rescission shall extend to any subsequent or other default, or impair any right consequent thereon. All waivers under this Indenture shall be in writing and a copy thereof shall be delivered to the Issuer and to the Administrative Agent. Prior to any such waiver, the Credit Facilities must be reinstated or be in full force and effect with respect to the Coverage Amount.

Section 810. Limitation. Notwithstanding anything to the contrary in this Indenture, neither the Trustee, the Issuer nor the Bondowners shall, without the prior written consent of the Administrative Agent, take any action to accelerate any Bonds under this Article VIII or exercise or cause to be exercised any rights or remedies under the Deed of Trust so long as there is no Wrongful Dishonor of the applicable Credit Facility, nor has there occurred a Determination of Unenforceability with respect to such Credit Facility; provided, however, that the Administrative Agent shall retain such consent right for any Bonds with respect to which the applicable Credit Provider has made any unreimbursed payments of principal, Purchase Price or interest, notwithstanding any subsequent Wrongful Dishonor or Determination of Unenforceability.

Section 811. Absolute Obligation of Issuer. Nothing in any provision of this Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and

unconditional, to pay the principal, Purchase Price or redemption price of and interest on the Bonds to the respective Bondowners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, or affect or impair the right of such Bondowners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 812. Bond Intercreditor Agreement. Notwithstanding anything contained in this Article VIII, the rights and remedies of the Trustee and the Bondowners under this Indenture shall be subject to the provisions of the Bond Intercreditor Agreement. The Trustee is authorized and directed to enter into the Bond Intercreditor Agreement solely in its capacity as Trustee under this Indenture and all provisions of this Indenture and the Loan Agreement relating to the rights, privileges, powers, indemnification and protections of the Trustee shall apply with equal force and effect to all actions taken or not taken by the Trustee in connection with the Bond Intercreditor Agreement. The Trustee and the Issuer may enter into a replacement Bond Intercreditor Agreement in substitution for the Bond Intercreditor Agreement then in effect upon a mandatory tender for purchase of all of the Bonds.

ARTICLE IX THE TRUSTEE

Section 901. Appointment and Duties; Successor Trustee.

(a) The Issuer hereby appoints U.S. Bank National Association, as Trustee, Bond Registrar and paying agent and designates the Principal Office of the Trustee as the principal place of payment for the Bonds. Furthermore, any rights or protections afforded to the Trustee hereunder apply to the Trustee when acting as Bond Registrar or paying agent hereunder or as dissemination agent with respect to any continuing disclosure undertaking. Notwithstanding any other provision of this Indenture, the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement or the Regulatory Agreement, the Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture, the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement and the Regulatory Agreement, and no implied covenants or obligations of the Trustee shall be read into this Indenture, the Loan Agreement, the Deed of Trust, the Bond Intercreditor Agreement or the Regulatory Agreement. Subject to Sections 802 and 901(i), the Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Issuer may remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; in each case by giving written notice of such removal to the Trustee, the Borrower, the Remarketing Agent and the Administrative Agent, and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Issuer, the Borrower, the Remarketing Agent and the Administrative Agent, by registered or certified mail or courier service. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee and transfer of the Letters of Credit or Alternate Credit Facilities to the successor Trustee; provided, that such transfer shall be in accordance with the terms of the Letters of Credit or Alternate Credit Facilities. Promptly upon such acceptance, the Issuer shall give notice thereof to the Registered Owners by first-class mail postage prepaid, and to the Borrower, the Remarketing Agent and the Administrative Agent by registered or certified mail or courier service. If no successor Trustee shall have been appointed and have accepted appointment within 45 days of giving notice of removal or notice of resignation as aforesaid, the incumbent Trustee, the Administrative Agent, the Borrower or any Bondowner (on behalf of himself and all other Bondowners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Issuer and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the request of the Issuer or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Issuer shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations.

(e) Any Trustee appointed under the provision of this section in succession to the Trustee shall be a trust company, national banking association, or a commercial bank, having experience with transactions similar to those described herein, and subject to supervision or examination by federal or state authority with respect to its responsibilities as trustee. If such bank, national association, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section. The Trustee shall cooperate fully in the transfer to a successor Trustee and shall promptly deliver to such successor all records and documents held by the Trustee with regard to the Trustee's obligations under this Indenture and the Loan Agreement.

(f) Any company or national banking association into which the Trustee may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (e) of this Section, shall be the successor to such Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

(g) Before taking any action under this Indenture or the Mortgage Loan Documents or the Deed of Trust (except for making all required payments to Bondowners when due, causing mandatory tender, mandatory redemption or acceleration of maturity of the Bonds as required herein, and drawing on a Credit Facility in accordance with its terms and this Indenture), the Trustee may require that indemnity satisfactory to it be furnished, which indemnity shall include payment of its fees, extraordinary expenses, and reasonable attorneys' fees, and protection against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action. The Trustee shall be under no obligation to institute any suit, to take any proceeding under this Indenture, the Mortgage Loan Documents or the Deed of Trust to enter any appearance or in any way defend any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, or in the compliance with any covenant contained in Article VII, until it has been satisfied that payment of all fees and expenses, outlays and reasonable counsel fees and other reasonable disbursements in connection therewith, and satisfactory indemnity against all risk and liability, have been provided for. However, the Trustee may begin suit, or appear in and defend any suit, or intervene, or do anything else in its judgment proper to be done by it as such Trustee, without assurance of reimbursement or indemnity. In all such cases Trustee shall be reimbursed or indemnified for all fees and expenses, liabilities, outlays and reasonable counsel fees and other reasonable disbursements properly incurred in connection therewith, unless such liability or disbursement is adjudicated to have resulted from the negligence or willful default of the Trustee. If the Borrower or Bondowners shall fail to make such reimbursement or indemnification, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture, subject only to the provisions of this Indenture.

(h) The Trustee's rights to receive compensation, reimbursement and indemnification of money due and owing hereunder shall survive the Trustee's resignation or removal, the payment of the Bonds and the defeasance of this Indenture.

(i) The Trustee may accept, hold, and draw upon Credit Facilities issued by itself or by any of its corporate affiliates to provide security and a source of payment for the Bonds. Further, the Trustee covenants that it shall at all times maintain adequate controls to manage any potential conflicting interest. Notwithstanding any other provision herein to the contrary, while the Credit Provider issuing the Credit Facilities is the Trustee or any affiliate of the Trustee, and such Credit Provider has not Wrongfully Dishonored any Credit Facility, the Trustee shall have no discretion with respect to the acceleration of the Bonds and shall do so only upon written direction of such Credit Provider. If such affiliate shall at any time Wrongfully Dishonor a Credit Facility, the Trustee shall immediately tender its resignation and take prompt steps to have a successor trustee appointed satisfying the requirements of Section 901(e).

Section 902. Fees, Charges and Costs of Trustee. The Trustee shall be entitled to payment of the Trustee Fee. The Trustee's rights to receive compensation under this section and under applicable provisions of the Loan Agreement, the Deed of Trust, the Bond

Intercreditor Agreement and the Regulatory Agreement shall be secured by, and there is hereby granted to the Trustee, a lien on the Trust Estate (except for any moneys representing the proceeds of any draws on any Credit Facility or remarketing proceeds or Seasoned Funds after notice of redemption), which lien shall be subordinate to the lien in favor of the Bondowners for payment of the principal of, premium, if any, and interest on the Bonds, except that, upon an Event of Default, but only upon an Event of Default, the Trustee shall have a prior lien upon the Trust Estate (except for any moneys representing the proceeds of any draws on any Credit Facility, Seasoned Funds after a notice of redemption or remarketing proceeds) for its extraordinary fees, charges and expenses, including reasonable attorneys' fees incurred in enforcing the provisions of the Indenture or any other agreement referred to herein.

Section 903. Liability of Trustee. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same, and makes no representations as to the validity or sufficiency of this Indenture, the Mortgage Loan Documents or the Bonds, and shall incur no responsibility in respect thereof. The Trustee shall not be accountable for the use or application by the Issuer, the Borrower or the Credit Providers of the Bonds or the proceeds thereof or of any moneys paid to the Issuer, the Borrower or the Credit Providers pursuant to the terms of this Indenture, the Deed of Trust and the Mortgage Loan Documents. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder or under the Mortgage Loan Documents either directly or through agents, receivers, or attorneys; provided, that the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney only if such agent or attorney is appointed with due care and approved by the Issuer, which approval will not be unreasonably withheld and will be delivered in a timely fashion. The Trustee may in all cases pay and be entitled to reimbursement from the Borrower for all reasonable compensation paid to such attorneys, agents and receivers. Neither the Credit Providers nor the Borrower shall be deemed agents of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance of any of them with their respective duties hereunder in connection with the transactions contemplated herein. The Trustee makes no representation as to and shall have no responsibility for the sufficiency of the insurance required under the Mortgage Loan Documents.

The Trustee may act upon the opinion or advice of Bond Counsel, and the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted in good faith (which shall not include actions taken or omitted that constitute negligence or willful misconduct) in reliance upon such opinion or advice.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Project except for its own negligence or willful misconduct. The Trustee shall have no responsibility with respect to any

information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

The Trustee shall not be liable for actions taken at the direction of Bondowners pursuant to the provisions of Article VIII.

The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its (reasonable) control, including, without limitation, acts of God; earthquakes; fire; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action.

Section 904. Right of Trustee to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with Counsel, who may be Counsel of or to the Issuer, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith (which shall not include actions taken or omitted that constitute negligence or willful misconduct) and in accordance therewith.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the Issuer, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith (which shall not include actions taken or omitted that constitute negligence or willful misconduct) under the provisions of this Indenture in reliance upon such certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, or under the Mortgage Loan Documents, except for defaults arising from failure to make any required payments to the Trustee or defaults of which the Trustee has actual knowledge, unless the Trustee is specifically notified in writing of such default by the Issuer, the Borrower, the Administrative Agent, or the Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding, and all such notices or other instruments required to be delivered to the Trustee must be delivered to the Principal Office of the Trustee.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants or conditions on the part of the Issuer, except as herein set forth, but the Trustee may require of the Issuer full information and advice as to the performance of any covenants and conditions herein.

Section 905. Intervention By Trustee. In any judicial proceedings to which the Issuer is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interest of owners of the Bonds, the Trustee may, in its discretion, intervene on behalf of Bondowners and, upon being indemnified to its satisfaction therefor as provided in

Section 901(g), shall do so if requested in writing by the owners of a majority in aggregate principal amount of all Bonds then Outstanding, subject to the limitations of Section 804.

Section 906. Reports of the Trustee.

(a) The Trustee shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project, the proceeds of the Bonds, the principal amount of Bonds Outstanding, the Revenues, the Trust Estate and the Funds and Accounts established by this Indenture. Such books and all other books and papers of the Trustee shall at all reasonable times during regular business hours be subject to the inspection of the Issuer, the Borrower, the Remarketing Agent, the Administrative Agent and the Beneficial Owner(s) or their representatives duly authorized in writing.

(b) On or before the fifteenth (15th) day of each month (or at such other reasonable frequency as requested by the Issuer, Administrative Agent or Borrower and agreed to by the Trustee), the Trustee shall submit to the Issuer, Borrower and the Administrative Agent a statement of account for the preceding month or period setting forth:

(1) the amounts withdrawn or transferred by it and the amounts deposited with it on account of each Fund held by it under the provisions of this Indenture, and the balance held in each Fund;

(2) a brief description of all obligations held by it as an investment of money (including mortgages and loans) in each such Fund and accrued interest earned;

(3) the amount applied (broken down as to prepayments and interest) to the purchase or redemption of Bonds under the provisions of this Indenture;

(4) an accounting of the Bonds outstanding;

(5) any other information that the Issuer may reasonably request from time to time, without charge if said information is required by its auditor, Rebate Analyst or the Internal Revenue Service, and is readily available from the records of the Trustee, and otherwise with such reasonable charges as are required by the Trustee; and

(6) a statement of interest calculations if the Bonds are in a Variable Rate Mode.

(c) The reports, statements and other documents required to be furnished to or by the Trustee pursuant to any provision of this Indenture shall be available for inspection upon reasonable prior notice by Bondowners during normal business hours at the office of the Trustee, and a copy of the reports required hereunder, if any, shall be mailed by the Trustee to each Beneficial Owner of Bonds who shall file a written request therefor with the Issuer at the expense of the party requesting the statement.

Section 907. Communications Among Owners. Within five Business Days after the receipt by the Trustee of a written application by any three or more Beneficial Owners stating that the applicants desire to communicate with other Beneficial Owners with respect to their rights under this Indenture or under the Bonds and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof (as

determined solely by the Trustee) that each such applicant has owned a Bond for a period of at least six months preceding the date of such application, the Trustee shall notify DTC of such application, and at its election, either:

- (a) afford to such applicants access to all information furnished to or received by the Trustee from DTC; or
- (b) inform such applicants as to the approximate number of Beneficial Owners according to the most recent information furnished to or received by the Trustee from DTC, and as to the approximate cost of mailing to the Owners the form of proxy or other communication, if any, specified in such application.

The disclosure of any such information as to the names and addresses of the Owners in accordance with the provisions of this section, regardless of the source from which such information was derived, shall not be deemed to be a violation of any existing law or of any law hereafter enacted which does not specifically refer to the comparable section of the Indenture Act, nor shall the Trustee be held accountable by reason of mailing any material pursuant to a request made under this section.

The term Beneficial Owners, for purposes of this Section 907 or any other Section herein requiring the Trustee to deliver statements, reports or documents to or receive requests or instructions from the Beneficial Owners, includes any Beneficial Owner who provides to the Trustee an affidavit of beneficial ownership of Bonds. The Trustee may rely conclusively upon such affidavit and shall have no liability to the Issuer, Borrower, any Owner of Bonds, or any other person in connection with such reliance. Furthermore, the Trustee shall be entitled to assume that any Beneficial Owner remains a Beneficial Owner thereafter, absent receipt of written notice or information to the contrary.

Section 908. Appointment of a Co-Trustee. It is the intent of the Issuer and the Trustee that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Mortgage Loan Documents, the Deed of Trust or any Credit Facility, and, in particular, in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the Issuer, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 908 are adopted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or vested in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant

and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the Issuer, the Trustee, the Borrower and the Administrative Agent. The appointment of any such co-trustee shall be subject to the approval in writing by the Rating Agency.

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

Section 909. City Contracting Provisions. The Trustee covenants and agrees to comply with the provisions set forth in Exhibit C to this Indenture, which is incorporated in and made a part of this Indenture by this reference.

ARTICLE X SUPPLEMENTAL INDENTURES

Section 1001. Amendments Requiring Consent of Bondowners. This Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may be modified or amended at any time by a Supplemental Indenture which shall become effective when signed by the parties hereto and the written consents of the Owners of 60% or more of the aggregate principal amount of Bonds Outstanding shall have been filed with the Trustee; provided, that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall (a) extend the fixed maturity of any Bond, or reduce the amount of principal thereof or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (b) reduce the aforesaid percentage of the aggregate principal amount of Bonds then Outstanding the consent of the Owners of which is required to effect any such modification or amendment, or (c) permit the creation of any lien on the Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture, or deprive the Bondowners of the lien created by this Indenture upon such Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Bondowners of all of the Bonds then Outstanding. Notwithstanding the foregoing, this Indenture shall not be amended without the prior written consent of the Administrative Agent, unless, in the opinion of Bond Counsel filed with the Trustee, the Borrower, the Administrative Agent and the Issuer prior to the effective date of such amendment, such amendment is necessary to preserve the exemption from income taxation of interest on the Tax-Exempt Bonds.

If at any time the Issuer requests that the Trustee enter into any such Supplemental Indenture for any of the purposes allowed by this Section, the Trustee shall, at the request of

the Issuer and upon being indemnified to its satisfaction with respect to costs, cause notice of the proposed execution of such Supplemental Indenture to be given in substantially the manner provided in Section 604 with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Owners of 60% or more of the aggregate principal amount of Bonds then 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 the Issuer from executing the same or from taking any action pursuant to the provisions thereof. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners.

Section 1002. Amendments Not Requiring Consent of Bondowners. This Indenture and the rights and obligations of the Issuer, the Bondowners and the Trustee may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Bondowners, when signed by the parties hereto and upon receipt of the prior written consent of the Administrative Agent, which amendment shall become effective upon execution (or such later date as may be specified in such Supplemental Indenture), but only to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Issuer contained in this Indenture, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuer, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Bondowners;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Issuer may deem necessary or desirable and not inconsistent with this Indenture, and which shall not materially adversely affect the interests of the Bondowners;

(c) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Bondowners;

(d) to modify, amend or supplement this Indenture in any other way which shall not materially adversely affect the interests of the Bondowners;

(e) to provide for a Substitute Letter of Credit or an Alternate Credit Facility meeting the requirements of Section 310 or 313 or to provide for the termination or expiration of a Credit Facility as provided in Section 314, and that otherwise does not materially adversely affect the interests of the Bondowners;

(f) to provide for certificated bonds;

(g) to comply with state or federal securities laws;

(h) to provide for the Conversion of Bonds;

(i) to make any other amendment, including without limitation amendments which would otherwise be described in Section 1001, if such amendment will take effect immediately following a mandatory tender of the Bonds, or if at least 30 days' notice of the amendment is given to Bondowners, and the Bondowners have the right to tender their Bonds for purchase under the Demand Purchase Option described herein; or

(j) to modify, amend or supplement this Indenture in any other way necessary to preserve the exemption of interest on the Tax-Exempt Bonds from federal income taxation.

Section 1003. Consent of Borrower and Remarketing Agent to Supplemental Indentures. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article X that adversely affects any rights of the Borrower in any manner not contemplated by the Mortgage Loan Documents will not become effective unless and until the Borrower has consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail or sent by courier service to the Borrower and its Counsel and the Administrative Agent and its Counsel at least 15 days prior to the date of the first mailing of notice of the proposed execution of such Supplemental Indenture as hereinbefore in Section 1001 provided. 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 12:00 p.m., Pacific Time, on the fifteenth day after the mailing of said notice and a copy of the proposed Supplemental Indenture. Anything herein to the contrary notwithstanding, a Supplemental Indenture under this Article X that adversely affects any rights of the Remarketing Agent in any manner not contemplated by the Mortgage Loan Documents shall not become effective unless and until the Remarketing Agent has consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail to the Remarketing Agent at least 15 days prior to the date of the first mailing of notice of the proposed execution of such Supplemental Indenture as hereinbefore in Section 1001 provided. The Remarketing Agent 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 Remarketing Agent, on or before 12:00 p.m., Pacific Time, on the fifteenth day after the mailing of said notice and a copy of the proposed Supplemental Indenture.

Section 1004. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall also send prior written notice to the Borrower of any Supplemental Indenture which does not adversely affect the rights of the Borrower; provided, that Borrower's consent to such Supplemental Indenture shall not be required.

Section 1005. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Indenture becomes effective pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Principal Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Issuer or the Trustee shall so determine, new Bonds modified as to conform, in the opinion of the Issuer and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Issuer and authenticated by the Trustee, and upon demand of the Owner of any Bond then Outstanding shall be exchanged at the Principal Office of the Trustee, without cost to any Bondowner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts of the same maturity.

Section 1006. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondowner from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

Section 1007. Trustee Consent; Required Opinion of Bond Counsel; Notice to Rating Agency. No amendment or supplement to this Indenture shall modify any of the rights or obligations of the Trustee without its written assent thereto. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to this Indenture unless the Issuer, the Remarketing Agent and the Trustee have received an opinion of Bond Counsel to the effect that such amendment will comply with this Article X, not impair the exemption of the interest on the Tax-Exempt Bonds from federal income taxation, and, if applicable, will not materially adversely affect the interests of Bondowners. The Issuer, the Trustee, the Remarketing Agent, the Borrower and the Administrative Agent may rely upon any such opinion of Bond Counsel. Prior to any amendment, change or modification to this Indenture, the Trustee shall notify the Rating Agency of the occurrence of such event.

ARTICLE XI AMENDMENT OF MORTGAGE LOAN DOCUMENTS

Section 1101. Amendments to Mortgage Loan Documents Not Requiring Consent of Bondowners. Subject to the provisions of Section 1103 and with the prior written consent of the Administrative Agent and the Trustee, but without the consent of or notice to any of the Bondowners, the respective parties thereto may enter into any amendment, change or modification of the Mortgage Loan Documents as may be required (a) by the provisions of the Mortgage Loan Documents or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, (c) so as to add additional rights acquired in accordance with the provisions of the Mortgage Loan Documents, (d) in connection with any other change therein which is not materially to the prejudice of the Trust Estate or the Owners of the Bonds, it being understood that in making a determination under (d) above, the Trustee may rely on the advice of Counsel; or (e) in any other respect, including without limitation amendments which would otherwise be described in Section 1102, (1) if such amendments will take effect on a Conversion Date or a Substitution Date following the mandatory tender of the Bonds, or (2) if notice of the proposed amendments is given to Bondowners (in the same manner as notices of redemption are given) at least thirty (30) days before the effective date thereof and, on or before such effective date, the Bondowners have the right to demand purchase of their Bonds pursuant

to Section 202(h). The Issuer and the Trustee shall, without the consent of or notice to Bondowners, but after prior written notice to the Administrative Agent, enter into any amendment, change or modification of the Mortgage Loan Documents as may be necessary, in the opinion of Bond Counsel to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Sections 142(d) or 145 of the Code.

Notwithstanding the foregoing, the Deed of Trust may be amended, changed or modified in any way with the prior written consent of the Administrative Agent and the Issuer, but without the consent of or notice to Bondowners, so long as there is no continuing Wrongful Dishonor of any Credit Facility.

Section 1102. Amendments to Mortgage Loan Documents Requiring Consent of Bondowners. Except for the amendments, changes or modifications as provided in Section 1101, and subject to the provisions of Section 1103, neither the Issuer nor the Borrower shall enter into any other amendment, change or modification of the Mortgage Loan Documents without the prior written consent of the Administrative Agent, and without mailing of notice and the written approval or consent of the Owners of not less than 60% or more of the aggregate principal amount of Bonds then Outstanding given and procured as provided in this Section; provided, however, that nothing in this section or Section 1101 (except as described in Section 1101(e)) shall permit or be construed as permitting (a) an extension of the time of the payment of any amounts payable under the Mortgage Note, or (b) a reduction in the amount of any payment or in the total amount due under the Mortgage Note without the consent of the Owners of all Bonds then Outstanding. 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 Mortgage Loan Documents, the Trustee shall, at the request of the Issuer and 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 604 with respect to redemption of Bonds; provided, that the Trustee shall not be required to consent to any amendment that materially adversely affects its rights or responsibilities hereunder or under the Mortgage Loan Documents. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instruments modifying the same are on file with the Trustee for inspection by all Bondowners. If, within 60 days, or such longer period as shall be prescribed by the Issuer, following the mailing of such notice, the Owners of 60% or more of the aggregate principal amount of Bonds then Outstanding at the time of the execution of any such amendment, change or modification 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 Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof, or the Trustee from consenting thereto. The Issuer shall have the right to extend from time to time the period within which such consent and approval may be obtained from Bondowners. Upon the execution of any such amendment, change or modification as in this section permitted and provided, the Mortgage Loan Documents or any Credit Facility, as the case may be, shall be and be deemed to be modified, changed and amended in accordance therewith.

Section 1103. Required Opinion of Bond Counsel; Notice to Rating Agency. The Issuer and the Trustee shall not enter into or consent to any amendment, change or modification to any one or more of the Mortgage Loan Documents unless the Issuer, the Trustee and the

Remarketing Agent have received an opinion of Bond Counsel to the effect that such amendment will comply with this Article XI and not impair the exemption of the interest on the Tax-Exempt Bonds from federal income taxation; provided, however, that no such opinion is required in connection with an amendment, change or modification of the Deed of Trust in accordance with Section 1101. The Issuer, the Remarketing Agent and the Trustee may rely upon any such opinion of Bond Counsel. Prior to any amendment, change or modification to the Mortgage Loan Documents (except for any amendment, change or modification of the Deed of Trust in accordance with Section 1101) or any Credit Facility, the Trustee shall notify the Rating Agency of the occurrence of such event.

Section 1104. Trustee Consent With Respect to Release of Collateral. Upon the request of the Borrower, and with the prior written consent of the Administrative Agent, the Trustee and (if applicable) the Issuer shall execute a reconveyance instrument provided by the Administrative Agent, releasing or subordinating any lien, security interest, or encumbrance on all or a portion of the Property provided, however, that while any Bonds remain Outstanding, such instrument shall be executed only if the Credit Facilities remain in effect.

Section 1105. Required Approval. No amendment, supplement or modification may be made to any Mortgage Loan Document which materially and adversely affects any rights or obligations of the Remarketing Agent without the prior written consent of the Remarketing Agent.

ARTICLE XII DEFEASANCE

Section 1201. Defeasance. If, following Conversion of the Bonds to a Fixed Rate, the Issuer shall pay or cause to be paid, or make provisions for payment, to or for the Bondowners, of the principal of, premium, if any, and interest due or to become due on the Bonds, at the times and in the manner stipulated therein, and if the Issuer shall have kept, performed and observed all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed and observed by it or on its part, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then this Indenture and the lien, rights, estate and interests created hereby shall cease, determine and become null and void (except as to any rights of registration, transfer or exchange of Bonds herein provided for and indemnification of the Trustee pursuant to Section 6.8 of the Loan Agreement, which shall survive), whereupon the Trustee shall take all such actions (including, without limitation, payment to the Credit Providers of amounts, if any, owed for draws on the Credit Facilities, but only to the extent of moneys available therefor in the Debt Service Fund or the Mortgage Loan Fund, and termination of the Credit Facilities) to cancel and discharge the lien of this Indenture and to terminate the trust created herein, and shall, upon payment of all fees and expenses payable to the Trustee, the Issuer, and the Rebate Analyst under this Indenture or the Loan Agreement, release, assign and deliver unto the Credit Providers (or to the Borrower if the Borrower has paid all amounts owed to the Credit Providers under the Reimbursement Agreements and any Related Documents (as defined in the Reimbursement Agreements)) any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee or otherwise subject to this Indenture, except (a) moneys, obligations or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds and (b) any money in the Rebate Fund to pay the Rebate Amount, or (c) any other moneys remaining in any Fund or Account created pursuant to this Indenture, which moneys shall be delivered to the Borrower upon receipt of an opinion of

Bond Counsel that such action shall not cause the Tax-Exempt Bonds to become retroactively taxable.

Any Bond or portions thereof in Authorized Denominations shall, prior to the maturity or redemption thereof, be deemed to be paid and defeased within the meaning of this Indenture when following Conversion to a Fixed Rate:

(a) payment of the principal and premium, if any, of such Bonds or portion thereof, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture, or otherwise), either: shall have been made or caused to be made in accordance with the terms of Section 202 or shall have been provided for, by irrevocably depositing with the Trustee, in trust, and irrevocably setting aside exclusively for such payment any combination of Seasoned Funds which shall be sufficient to make such payment when due and/or non-callable, non-prepayable Government Obligations purchased with such Seasoned Funds maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment;

(b) the Trustee shall have received a certificate from a firm of certified public accountants that the moneys so deposited will be sufficient, without reinvestment, to pay debt service on all Bonds to the due date thereof;

(c) all necessary and proper fees, compensation and expenses of the Trustee 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; and

(d) The Trustee and the Remarketing Agent shall have received an opinion of Bond Counsel that such Bonds have been legally defeased under this Indenture and that such refunding or defeasance shall not affect the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxes.

A new certificate of the type specified in clause (b) of the preceding sentence shall be provided to the Trustee in the event any substitute securities are provided to the Trustee.

At such time as a Bond or portion thereof shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of Sections 203, 207 and 312 and by any such payment from such moneys or Government Obligations.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Issuer be invested and reinvested in non-callable, non-prepayable Government Obligations maturing in the amounts and at the times as hereinbefore set forth, and all income from all such Government Obligations in the hands of the Trustee pursuant to this Article which is not required (based upon a verification provided by a firm of certified public accountants) for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Debt Service Fund as and when realized and collected for use and application as are other moneys deposited in that Fund.

Notwithstanding the provisions of any other Article of this Indenture that may be contrary to the provisions of this Article, all such money or Government Obligations set aside and held in trust pursuant to the provisions of this Article and for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the

particular Bonds (including interest and premium thereof, if any) with respect to which such money and Government Obligations have been so set aside in trust.

Anything in Article X to the contrary notwithstanding, if such moneys or noncallable Government Obligations have been deposited or set aside with the Trustee pursuant to this Article XII for the payment of Bonds and interest and premium thereon, if any, and such Bonds have not in fact been actually paid in full, no amendment to the provisions of this Article XII may be made without the consent of the Owner of each Bond affected thereby.

ARTICLE XIII MISCELLANEOUS

Section 1301. Consents, Etc., of Bondowners. Any consent, approval, direction or other instrument required by this Indenture to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such consent, approval, direction or other instrument or of the writing appointing any such agent, 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 request or other instrument, namely:

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

(b) the fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the registration books maintained by the Trustee pursuant to Section 203.

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 Bonds shall be conclusive and binding upon all future Owners of the same Bonds and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

Section 1302. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Credit Providers, the Borrower, the Remarketing Agent and the Owners of the Bonds any legal or equitable right, remedy or claim under or in respect to this Indenture. This Indenture and all of the covenants, conditions and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, and the following non-parties, each of whom shall be third-party beneficiaries of this Indenture to the extent of their rights hereunder: the Owners of the Bonds, the Credit Providers, the Remarketing Agent and the Borrower.

Section 1303. Severability. If any provision of this Indenture shall be invalid, 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 or statute or rule of public policy, or for any other reason, such circumstances

shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

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

Section 1304. Notices. Except as otherwise provided herein, all notices, certificates or other communications shall be sufficiently given and (except for notices to the Trustee, which shall be deemed given only when actually received by the Trustee) shall be deemed given on the date sent by Electronic Notice or on the second day following the date on which the same have been personally delivered, delivered by overnight courier (with signed receipt) or mailed by certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Issuer: City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, Fifth Floor,
San Francisco, CA 94103
Attention: Director

With copies to City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, California 94102
Attention: City Controller

City and County of San Francisco
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 140
San Francisco, California 94102
Attention: City Treasurer

Office of the City Attorney
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 234
San Francisco, California 94102
Attention: Finance Team
Telephone: (415) 554-4703
Fax: (415) 554-4755
E-mail: Kenneth.roux@sfgov.org

If to the Borrower: Related/Mariposa Development Co., L.P.
c/o Related California
44 Montgomery Street, Suite 1300
San Francisco, CA 94104
Attention: Gregory Vilkin
Telephone: (415) 677-9000
Fax: (888) 371-8739
E-Mail: greg.vilkin@related.com

The Related Companies, L.P.
60 Columbus Circle
New York, NY 10023
Attention: Chief Legal Officer
Phone: (212) 801-3478
E-Mail: jmccool@related.com

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, CA 94111
Attention: Steven Ryan
Telephone: (415) 262-5150
Fax: (415) 262-5199
E-Mail: sryan@coxcastle.com

Levitt & Boccio, LLP
423 West 55th Street, 8th Floor
New York, NY 10019
Attention: David S. Boccio, Esq.
Telephone: (212) 801-3769
Fax: (212) 801-3762
E-Mail: dboccio@levittboccio.com

If to the Bank:

Bank of America, N.A.
One Bryant Park, 35th Floor
New York, NY 10036
Attention: Todd Slagle
Telephone: (646) 855-1766
Fax: (____)
E-mail: todd.slagle@baml.com

With a copy to:

Ryan Denes
Bank of America, N.A.
IL4-540-28-27
540 W Madison Street, Chicago, IL 60661
Telephone: (312) 992-2264
Fax: (312) 453-5974
E-Mail: ryan.denes@baml.com

and a copy to:

Schiff Hardin LLP
666 Fifth Avenue, Suite 1700
New York, New York 10103
Attention: Russel Hamilton
Telephone: (212) 745-0805
Fax: (212) 753-5044
E-mail: rhamilton@schiffhardin.com

If to the Administrative Agent: Bank of America, N.A.
One Bryant Park, 35th Floor
New York, NY 10036
Attention: Todd Slagle
Telephone: (646) 855-1766
Fax: (____)
E-mail: todd.slagle@baml.com

If to the Rating Agency: S&P Global Ratings
55 Water Street, 41st Fl.
New York, NY 10041-0003
Attention: Structured Finance LOC Surveillance Group
E-Mail: pubfin_structured@spglobal.com

and

Moody's Investors Service
7 World Trade Center
250 Greenwich Street
23rd Floor
New York, NY 10007
Attention: Municipal Supported Products Group
Email: MSPGSurveillance@moodys.com

If to the Remarketing Agent: Citigroup Global Markets Inc.
390 Greenwich St., 2nd Floor
New York, New York 10013
Attention: Short Term Manager
Telephone: (212) 723-5594
Fax: (212) 723-8939
E-Mail: robert.j.demichiel@citi.com

A duplicate copy of each notice, certificate or other communication given hereunder by one party to another party shall also be given to the others named in this Section. All other documents required to be submitted to any of the foregoing parties shall also be submitted to such party at its address set forth above. Any of the foregoing parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, documents or other communications shall be sent.

In addition to all other notices required by this Indenture, the Trustee covenants to provide the Rating Agency and the Remarketing Agent, notice of the following events upon their occurrence: (1) any change in the Trustee or the Remarketing Agent, (2) the termination, expiration, extension or renewal of a Credit Facility, (3) provision of an Alternate Credit Facility, (4) any amendment to this Indenture, any Credit Facility, any Reimbursement Agreement, the Mortgage Loan Documents or the Deed of Trust, if actually known to it, (5) any redemption of Bonds pursuant to Section 602, (6) defeasance in accordance with Article XII, (7) any Conversion, or (8) any mandatory tender or acceleration of the Bonds; provided, that the Trustee shall provide notice of any of the events listed in subsection (4) above of which the Trustee has actual knowledge.

Section 1305. Payments Due on Other Than Business Days. In any case where the date of payment of principal, premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds, on the date for performing any act or exercising any right, shall be a day other than a Business Day, then payment of interest or principal and premium, if any, or the performance of such act or exercise of such right 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 it had been made on the date scheduled for such payment, performance, or exercise.

Section 1306. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1307. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

Section 1308. 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 1309. Compliance Certificates and Opinions. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall, if applicable, comply with Section 713 and shall include:

(a) a statement that the Person or Persons making such certificate or opinion have read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of the signers, such condition or covenant has been complied with.

Section 1310. Conflict with Trust Indenture Act of 1939. If this Indenture is required to be qualified under the Indenture Act and the Indenture Act requires that a provision be included in this Indenture that limits, qualifies or conflicts with another provision hereof, such required provision shall control.

Section 1311. Successors. Whenever in this Indenture either the Issuer or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Issuer or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1312. Regulatory Agreement; Records. The Trustee shall hold in safekeeping, for seven years after any of the Bonds are outstanding, all documents, if any, delivered to it by the Issuer in respect of the Borrower's compliance with the Regulatory Agreement and all other

documents and records with respect to the Bonds. The Trustee may, or if the Issuer shall fail to act and the Trustee has actual knowledge thereof as provided in Section 904 or the Trustee is directed by the Issuer, the Trustee, shall, subject to the provisions hereof, including Section 901(g), take all actions available under the Regulatory Agreement to enforce compliance therewith.

Section 1313. Compliance with Secondary Disclosure Requirements of the Securities and Exchange Commission. Pursuant to Section 6.18 of the Loan Agreement, the Borrower has undertaken all responsibility to comply with the continuing disclosure requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"). Neither the Issuer nor the Trustee shall have any liability to the Owners of the Bonds or any other Person with respect to such disclosure matters. Notwithstanding any other provision of this Indenture, failure of the Borrower to comply with Section 6.18 of the Loan Agreement shall not be considered an Event of Default under this Indenture; however the disclosure agent may (and, at the request of the owners of at least a majority in aggregate principal amount of the Bonds Outstanding and payment of its fees and expenses, including attorneys' fees, shall) or any Bondowner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the disclosure agent, to comply with its obligations under Section 6.18 of the Loan Agreement.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be signed all as of the day and year first above written.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Its _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Its _____

EXHIBIT A

FORM OF VARIABLE RATE, FLEXIBLE RATE, INDEX RATE OR TERM RATE BOND

[Form of Face of Bond]

CITY AND COUNTY OF SAN FRANCISCO
VARIABLE RATE MULTIFAMILY HOUSING REVENUE BOND
(1601 MARIPOSA APARTMENTS),
2017 SERIES B-__ [(TAXABLE)]

No. ___ CUSIP No. _____

DATED DATE: July [___], 2017

MATURITY DATE: July 1, 20[___]

INTEREST RATE: _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation organized and existing under the laws of the State of California (the "Issuer"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, but solely from the sources and in the manner hereinbelow provided, on the Maturity Date specified above, unless this Bond shall have been duly called for prior redemption and payment of the redemption price hereof shall have been duly made or provided for, the Principal Amount set forth above and to pay to such Registered Owner from such sources interest thereon from the later of the date hereof or the most recent date to which interest has been paid or made available for payment, at the rate per annum determined on each Determination Date (as defined in the Indenture mentioned below), on each Interest Payment Date (as defined in said Indenture). The principal and Purchase Price of, premium, if any, and interest on the Bonds (as hereinbelow defined) shall be payable in lawful money of the United States of America.

The principal of this Bond and premium, if any, is payable, upon presentation and surrender hereof, at the principal corporate trust office (the "Principal Office") designated in writing by U.S. Bank National Association, or its successor, as trustee (the "Trustee") under the Indenture of Trust dated as of July 1, 2017 (the "Indenture"), between the Issuer and the Trustee. Payment of interest on this Bond shall be made to the Registered Owner hereof by wire transfer on the Interest Payment Date to the person in whose name this Bond is registered on the Business Day immediately preceding the applicable Interest Payment Date while this Bond is in uncertificated form (or on the fifth Business Day immediately preceding the Interest Payment Date if this Bond is in certificated form), using the wire instructions for such Registered Owner shown on the registration books of the Trustee. Notwithstanding the foregoing, as long as the Bonds are registered in the name of Cede & Co., or its registered assigns, as nominees of The Depository Trust Company ("DTC"), payments of principal of and interest on this Bond

will be made on the date such money is due and payable at the place and in the manner and notice shall be given, as provided in the Letter of Representations to DTC.

This Bond is one of the Issuer's Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__ [(Taxable)], in the aggregate principal amount of \$_____ (the "Bonds"), issued under and pursuant to the Charter of the City and County of San Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and the Constitution and laws of the State of California, particularly Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended. Concurrently with the issuance of the Bonds, the Issuer issued its Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__, in the principal amount of \$_____, and its Variable Rate Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-__ [(Taxable)], in the principal amount of \$_____. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security for the Bonds, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

All capitalized terms used but not defined herein shall have the meanings given in the Indenture.

While bearing interest at a Daily Rate, Weekly Rate or Flexible Rate, the rate of interest hereon shall be calculated on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed; while bearing interest at an Index Rate, the rate of interest hereon shall be calculated on the basis of a year of 360 days and the actual days elapsed; and while bearing interest at a Term Rate, the rate of interest hereon shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months. The rate of interest hereon shall be a rate determined by the remarketing agent appointed pursuant to the Indenture (the "Remarketing Agent"), on each Determination Date. While bearing interest at a Daily Rate, Weekly Rate or Flexible Rate, the interest determined by the Remarketing Agent shall be that rate of interest which, if borne by the Bonds, would, in its judgment having due regard to prevailing financial market conditions, be the interest rate necessary, but which would not exceed the interest rate necessary, to produce as nearly as practicable a par bid (disregarding accrued interest) if Bonds were sold on the Determination Date; provided, however, that the interest rate so determined will not at any time exceed ten percent (10%) per annum unless and to the extent that a Credit Facility is delivered to the Trustee in an amount equal to the then outstanding principal amount of the Bonds plus interest thereon for the applicable Coverage Amount at such higher Maximum Interest Rate. While bearing interest at an Index Rate, the floating rate of interest hereon shall be determined as provided in the Indenture.

The determination of the interest rate by the Remarketing Agent shall (in the absence of manifest error) be conclusive and binding on the owners of the Bonds, the Issuer, the applicable Credit Provider, the Trustee and the Remarketing Agent. Any Registered Owner may obtain information on the interest rate by request to the Trustee.

While bearing interest at a Daily Rate or a Weekly Rate, any Bond or \$5,000 units of principal amount thereof in excess of \$100,000 (so long as the remaining portion of any such Bond purchased in part is also in an Authorized Denomination) will be purchased on any Business Day until and including the date of Conversion to a Flexible Rate, a Term Rate or the Fixed Rate, on demand of the Registered Owner or Beneficial Owner of such Bond, at a

purchase price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date of purchase upon (a) delivery at the time set forth in the Indenture, to the Trustee and the Remarketing Agent of an irrevocable written notice (a "Tender Notice") that states (i) the principal amount of such Bond for which payment is demanded, and (ii) the CUSIP numbers of the Bonds to be tendered, (iii) the date on which such Bond or portion thereof shall be purchased (the "Demand Date"), (A) which date shall be any Business Day with respect to Daily Rate Bonds, or (B) which date shall be a Business Day not prior to the seventh day next succeeding the date of the receipt of the Tender Notice by the Trustee and Remarketing Agent with respect to Weekly Rate Bonds; and (b) if the Bond is in certificated form, delivery to the Trustee or the Remarketing Agent, at the time set forth in the Indenture, on the Demand Date, of such Bond (with an appropriate transfer of registration form executed in blank and in form satisfactory to the Trustee).

While bearing interest at Daily Rate, a Weekly Rate, a Flexible Rate, an Index Rate or a Term Rate, all Bonds of a subseries may become subject to mandatory tender for purchase will be purchased at a purchase price equal to 100% of the principal amount thereof, plus interest accrued thereon, if any, to the date of purchase on each Conversion to a new interest rate mode, upon substitution of a Substitute Letter of Credit or Alternate Credit Facility, or upon the termination of an existing Credit Facility, as further provided in the Indenture.

Payment of the Purchase Price of any Bond so delivered shall be made by wire transfer, as designated in the Tender Notice. No Bonds shall be so purchased if an Event of Default under Section 801(a) or (b) of the Indenture shall have occurred and be continuing. No Bonds shall be remarketed if all of the Bonds shall have been called for redemption or mandatory tender unless the new purchaser has received prior notice from the Remarketing Agent of such redemption or tender.

The Bonds shall initially bear interest at a [_____] Rate. The rate of interest on this subseries of the Bonds may, at the option of the Borrower, be established at a fixed rate to maturity or be established from time to time at a Daily Rate, a Weekly Rate, a Flexible Rate, an Index Rate or a Term Rate on any date provided in the Indenture (the "Conversion Date") and otherwise in accordance with the procedures set forth in the Indenture. The Trustee shall give notice of conversion to the owners of this subseries of the Bonds, in the same manner that notices of redemption are given, not less than 10 days before the Conversion Date, specifying that this subseries of the Bonds are subject to mandatory tender for purchase on the Conversion Date. IF THIS BOND IS NOT TENDERED FOR PURCHASE BY THE CONVERSION DATE, IT WILL BE DEEMED TO HAVE BEEN SO TENDERED AND PURCHASED ON THE CONVERSION DATE, AT A PRICE EQUAL TO THE PRINCIPAL AMOUNT HEREOF PLUS INTEREST ACCRUED TO THE CONVERSION DATE.

The Bonds are limited obligations of the Issuer, payable solely from certain Revenues, the Trust Estate, including a Deed of Trust, and other funds and moneys pledged and assigned under the Indenture. None of the Issuer, the State or any political subdivision thereof (except the Issuer, to the limited extent authorized by the Act and set forth herein) nor any public agency shall in any event be liable for the payment of the principal or purchase price of, or premium (if any) or interest on, the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever except as set forth herein, and, notwithstanding anything herein or in any other instrument to the contrary, none of the Bonds or any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

Neither the faith and credit nor the taxing power of the State, the Issuer, any public agency or any political subdivision of the State is pledged to the payment of the principal of, premium, if any, purchase price of or interest on the Bonds, nor is the State, the Issuer, any public agency or any political subdivision of the State, in any manner obligated to make any appropriation for such payment.

This Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Indenture unless this Bond is authenticated by the Trustee by the due execution of the Trustee's certificate endorsed hereon.

The Bonds are special, limited obligations of the Issuer and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and lien on, certain Revenues (as defined in the Indenture), consisting primarily of [amounts drawn under an irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the "Bank"), for the account of Related/Mariposa Development Co., L.P., a [_____] limited partnership (the "Borrower"), in favor of the Trustee concurrently with the issuance of the Bonds, or any qualified letter of credit issued in substitution therefor (such initial letter of credit or substitute being referred to herein as the "Letter of Credit") or Alternate Credit Facility, provided in accordance with the Indenture]. The Bonds are issued to provide funds to fund a loan (the "Mortgage Loan") to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement") among the Issuer, the Trustee and the Borrower, to finance multifamily housing facilities (the "Project").

The Bonds will be subject to a mandatory tender on the Substitution Date of any Substitute Letter of Credit or Alternate Credit Facility. THIS BOND WILL BE DEEMED TO BE TENDERED ON THE SUBSTITUTION DATE AND SHALL BE PURCHASED ON SUCH DATE, AT A PRICE EQUAL TO THE PRINCIPAL AMOUNT HEREOF PLUS INTEREST ACCRUED TO THE SUBSTITUTION DATE.

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 or any integral multiple of \$5,000 in excess of thereof except as otherwise provided in the Indenture. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount and of other Authorized Denominations, as defined in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds of Authorized Denomination or denominations, and for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Issuer and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to mandatory and optional redemption prior to their stated maturity as set forth in the Indenture.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all or a portion of the Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting the Issuer and the Trustee to execute supplemental indentures adding provisions to, or changing or eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

No officer, official, agent or employee of the Issuer, and no officer, official, agent or employee of the State of California, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City and County of San Francisco has caused this Bond to be executed with the manual signature of an authorized officer all as of the Dated Date set forth above.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Its _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and has been registered on this date.

Date: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Francisco, Article I of Chapter 43 of the Administrative Code of the City and County of San Francisco Municipal Code and the Constitution and laws of the State of California, particularly Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code, as amended. Concurrently with the issuance of the Bonds, the Issuer issued its Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-___, in the principal amount of \$_____, and its Multifamily Housing Revenue Bonds (1601 Mariposa Apartments), 2017 Series B-___ [(Taxable)], in the principal amount of \$_____. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security for the Bonds, of the rights, duties and immunities of the Trustee and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds are limited obligations of the Issuer, payable solely from certain Revenues, the Trust Estate, including a Deed of Trust, and other funds and moneys pledged and assigned under the Indenture. None of the Issuer, the State or any political subdivision thereof (except the Issuer, to the limited extent authorized by the Act and set forth herein) nor any public agency shall in any event be liable for the payment of the principal of, or premium (if any) or interest on, the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever except as set forth herein, and, notwithstanding anything herein or in any other instrument to the contrary, none of the Bonds or any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of or a moral obligation of any of the foregoing within the meaning of any constitutional or statutory provision whatsoever.

Neither the faith and credit nor the taxing power of the State, the Issuer, any public agency or any political subdivision of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds, nor is the State, the Issuer, any public agency or any political subdivision of the State, in any manner obligated to make any appropriation for such payment.

This Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Indenture unless this Bond is authenticated by the Trustee by the due execution of the Trustee's certificate endorsed hereon.

The Bonds are special, limited obligations of the Issuer and, as and to the extent set forth in the Indenture, are payable solely from, and secured by a pledge of and lien on, certain Revenues (as defined in the Indenture), consisting primarily of [amounts drawn under an irrevocable direct-pay letter of credit issued by Bank of America, N.A. (the "Bank"), for the account of Related/Mariposa Development Co., L.P., a [_____] limited partnership (the "Borrower"), in favor of the Trustee concurrently with the issuance of the Bonds, or any qualified letter of credit issued in substitution therefor (such initial letter of credit or substitute being referred to herein as the "Letter of Credit")]. The Bonds were issued in order to fund a loan (the "Loan") to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2017 (the "Loan Agreement") among the Issuer, the Trustee and the Borrower, to finance multifamily housing facilities (the "Project").

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof, except as otherwise provided in the Indenture. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture,

Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of other Authorized Denominations, as defined in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person, or by its attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of Authorized Denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Issuer and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary.

The Bonds are subject to mandatory redemption, mandatory sinking fund redemption and optional redemption prior to their stated maturity as set forth in the Indenture.

If an Event of Default, as defined in the Indenture, occurs, the principal of all or a portion of the Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

The Indenture contains provisions permitting the Issuer and the Trustee to execute supplemental indentures adding provisions to, or changing or eliminating any of the provisions of, the Indenture, subject to the limitations set forth in the Indenture.

All capitalized terms used but not defined herein shall have the meanings given in the Indenture.

No officer, agent or employee of the Issuer, and no officer, official, agent or employee of the State of California, nor any person executing this Bond, shall in any event be subject to any personal liability or accountability by reason of the issuance of the Bonds.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City and County of San Francisco has caused this Bond to be executed with the manual signature of an authorized officer as of the Dated Date set forth above.

CITY AND COUNTY OF SAN FRANCISCO

By _____
Its _____

[Form of]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture and has been registered on this date:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

[Form of]

ASSIGNMENT

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

Dated: _____

Registered Owner

Signature Guaranteed:

Signature(s) must be guaranteed pursuant to law.

NOTICE: The signature on this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever. The Trustee will register a Bond in the name of a transferee only if provided with the information requested above. The transferee (or his designated representative) should provide as much of the information requested below as is applicable to him prior to submitting this Bond for transfer.

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

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT (TRANSFERS) MIN ACT –

_____ Custodian _____
(Cust) (Minor)

under Uniform Gifts (Transfers) to Minors Act

(State)

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

EXHIBIT B

Initial Deposit of Funds

Indenture Section 303

Sources	Tax-Exempt Account of the Mortgage Loan Fund	Taxable Account of the Mortgage Loan Fund	Cost of Issuance Fund	Total
---------	---	--	--------------------------	-------

TOTAL

\$

EXHIBIT C

City and County of San Francisco Mandatory Contracting Provisions

The following provisions shall apply to this Indenture as if set forth in the body thereof. Capitalized terms used but not defined in this Exhibit C shall have the meanings given in this Indenture. For purposes of this Exhibit, “Contractor” shall mean the Trustee and “City” shall mean Issuer.

1. **Nondiscrimination; Penalties.**

a. **Nondiscrimination.** In the performance of this Indenture (the “Agreement”), the Contractor agrees not to discriminate against any employee, City employee working with the Contractor, applicant for employment with the Contractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person’s race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. **Subcontracts.** The Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from the City) and shall require all subcontractors to comply with such provisions. The Contractor’s failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. **Nondiscrimination in Benefits.** The Contractor, as of the date of this Agreement, does not and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by the City, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. **Condition to Contract.** As a condition to this Agreement, the Contractor shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. **Incorporation of Administrative Code Provisions by Reference.** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though

fully set forth herein. The Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against the Contractor and/or deducted from any payments due the Contractor.

2. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of the Contractor acknowledges and agrees that he or she has read and understood this section.

3. Tropical Hardwood and Virgin Redwood. Pursuant to §804(b) of the San Francisco Environment Code, the City urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

4. Drug-Free Workplace Policy. The Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. The Contractor agrees that any violation of this prohibition by the Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

5. Compliance with Americans with Disabilities Act. The Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The Contractor shall provide the services specified in this Indenture in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of the Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

6. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

7. Limitations on Contributions. Through execution of this Agreement, the Contractor acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease

of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Contractor's board of directors; the Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in the Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by the Contractor. Additionally, the Contractor acknowledges that the Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in said Section 1.126. The Contractor further agrees to provide to the City the names of each person, entity or committee described above.

8. Requiring Minimum Compensation for Covered Employees. The Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Contractor's obligations under the MCO is set forth in this Section. The Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, the Contractor agrees to all of the following:

a. The MCO requires the Contractor to pay the Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and the Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by the Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is the Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the City may pursue any of the remedies set forth in this Section against the Contractor. Nothing in this Section shall be deemed to grant the Contractor the right to subcontract.

b. The Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

c. The Contractor shall maintain employee and payroll records as required by the MCO. If the Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

d. The City, upon reasonable notice to the Contractor, is authorized to inspect the Contractor's job sites during normal business hours.

e. The Contractor's commitment to provide the minimum compensation required by the MCO is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fail to comply with these requirements. The Contractor agree that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for the Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

f. The Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including at its option the liquidated damages provided for therein), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

g. The Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

h. If the Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with the City for the fiscal year is less than \$25,000, but the Contractor later enters into an agreement or agreements that cause the Contractor to exceed that amount in a fiscal year, the Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and the City to exceed \$25,000 in the fiscal year.

9. Requiring Health Benefits for Covered Employees. The Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, the Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

- b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.
- c. The Contractor's failure to comply with the HCAO shall constitute a material breach of this Agreement. The City shall notify the Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, the Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.
- d. Any Subcontract entered into by the Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. The Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Contractor based on the Subcontractor's failure to comply, provided that the City has first provided the Contractor with notice and an opportunity to obtain a cure of the violation.
- e. The Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to the Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.
- f. The Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.
- g. The Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the Agreement.
- h. The Contractor shall keep itself informed of the current requirements of the HCAO.
- i. The Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.
- j. The Contractor shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

k. The Contractor shall allow the City to inspect the Contractor's job sites and have access to the Contractor's employees in order to monitor and determine compliance with HCAO.

l. The City may conduct random audits of the Contractor to ascertain its compliance with HCAO. The Contractor agrees to cooperate with the City when it conducts such audits.

m. If the Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Contractor later enters into an agreement or agreements that cause either Contractor's aggregate amount of all agreements with the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

10. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, the Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. The Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event the Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Contractor's use of profit as a violation of this section.

11. Protection of Private Information. The Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Contractor agrees that any failure of the Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

12. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and its residents, and to prevent the further spread of graffiti.

The Contractor shall remove all graffiti from any real property owned or leased by the Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of the

Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require the Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.). Any failure of the Contractor to comply with this section of this Agreement shall constitute a breach of this Agreement.

13. Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the City on April 18, 2001, the City affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. All proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may not use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Airport Director's prior consent.

14. Submitting False Claims; Monetary Penalties. Pursuant to San Francisco Administrative Code §21.35, any Contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at <http://www.municode.com/Library/clientCodePage.aspx?clientID=4201>. An underwriter, bank, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. An underwriter, subcontractor or consultant will be deemed to have submitted a false claim to the City if the underwriter, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

15. Conflict of Interest. Through its execution of this Agreement, the Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this

Agreement.

16. Assignment. The Contractor is prohibited from assigning, delegating or transferring this Agreement or any part of it unless such assignment, delegation or transfer is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. Any contract made in violation of this provision shall confer no rights on any party and shall be null and void.

17. Food Service Waste Reduction Requirements. The Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Contractor agrees that if either breaches this provision, the City will suffer actual damages that will be impractical or extremely difficult to determine; further, the Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the City because of the Contractor's failure to comply with this provision.

18. Proprietary or Confidential Information of City. The Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, the Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City. The Contractor agrees that all information disclosed by City to the Contractor shall be held in confidence and used only in the performance of this Agreement. The Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

19. Earned Income Credit (EIC) Forms. Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found. The Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Indenture becomes effective (unless the Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by the Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by the Contractor of the terms of this Agreement. If, within thirty days after the Contractor receives written notice of such a breach, the Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Indenture or under applicable law. Any Subcontract entered into by the Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible

Employees, with each of the terms of this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

EXHIBIT D

Form of Transferee Representations

[Date of Transfer]

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

U.S. Bank National Association
1 California Street, Suite 1000
San Francisco, California 94111

Re: \$_____ City and County of San Francisco Variable Rate Multifamily
Housing Revenue Bonds (1601 Mariposa Apartments) 2017 Series B - [__]
[(Taxable)]

Ladies and Gentlemen:

The undersigned, as transferee and beneficial owner (the "Owner") of the bonds captioned above, maturing on _____, 20__ in the principal amount of \$_____ (the "Bonds"), from _____ (the "Transferee/Remarketing Agent"), hereby certifies, represents and warrants to the CITY AND COUNTY OF SAN FRANCISCO (the "Issuer") and U.S. BANK NATIONAL ASSOCIATION (the "Trustee"), as Issuer and Trustee, respectively, under an Indenture of Trust, dated as of July 1, 2017 (the "Indenture"), that:

1. The Owner has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Bonds. We are able to bear the economic risks of such investment.

2. The Owner acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information of the Borrower, to which a reasonable investor would attach significance in making investment decisions, and the Owner has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Project, the use of proceeds of the Funding Loan and the security therefor so that, as a reasonable investor, the Owner has been able to make its decision to purchase the Bonds. The Owner acknowledges that it has not relied upon the addressees hereof for any information in connection with the Owner's purchase of the Bonds.

3. The Owner is an Approved Transferee (as defined in the Indenture).

4. The Owner acknowledges that it is purchasing the Bonds for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Bonds; provided, however, that the Owner may, sell or assign the Bonds or participations in the Bonds as provided in and subject to the limitations in the Indenture.

5. The Owner understands that each Bond is a limited obligation of the Issuer, payable solely from funds and moneys pledged and assigned under the Indenture, and that the liabilities and obligations of the Issuer with respect to the Bonds are expressly limited as set forth in the Indenture and related documents.

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

[], as Owner

By:
Name:
Its: