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**INDENTURE**

**by and between the**

**COUNTY OF CONTRA COSTA, CALIFORNIA,  
as Issuer**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Bondowner Representative**

**dated as of August 1, 2016**

**relating to:**

**\$ \_\_\_\_\_**

**County of Contra Costa  
Multifamily Housing Revenue Bonds  
(Tabora Gardens Senior Apartments), Series 2016D**

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## INDENTURE

This Indenture, dated as of August 1, 2016 (this "Indenture"), is by and between the County of Contra Costa, California, a political subdivision and body corporate and politic, duly organized and existing under the laws of the State of California (herein called the "Issuer"), and Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America, and being qualified to accept and administer the obligations and duties of the Bondowner Representative hereunder, as Bondowner Representative (herein called the "Bondowner Representative").

### RECITALS:

**WHEREAS**, under the provisions of Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code (the "Act"), the Issuer proposes to issue its County of Contra Costa Multifamily Housing Revenue Bonds (Tabora Gardens Senior Apartments), Series 2016D (the "Bonds"); and

**WHEREAS**, the Issuer and the Bondowner Representative have duly entered into a loan agreement, dated the same date as the date of this Indenture (the "Agreement" or the "Loan Agreement") with Tabora Gardens, L.P., a California limited partnership (the "Borrower"), specifying the terms and conditions of the lending of the proceeds of the Bonds (the "Loan") to the Borrower for the financing of a portion of the costs of the acquisition and construction of 85 units of multifamily rental housing (inclusive of one manager's unit) to be located at 3701 Tabora Drive in the City of Antioch, California (as more fully described in the definition "Project" in Section 1.01 hereof, the "Project"), and the repayment by the Borrower of the Loan; and

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

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

**WHEREAS**, all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Bondowner Representative and duly issued, the valid, binding and legal limited obligations of the Issuer, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

**AGREEMENT:**

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

## ARTICLE I

### DEFINITIONS AND GENERAL PROVISIONS

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

The term “**Act**” means Chapter 7 of Part 5 of Division 31 (commencing with Section 52075) of the California Health and Safety Code.

The term “**Administrator**” means the Issuer or any administrator appointed by the Issuer to administer the Regulatory Agreement, and any successor Administrator appointed by the Issuer.

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

The term “**Agreement**” or “**Loan Agreement**” means the Loan Agreement, dated the same date as the date of this Indenture, among the Bondowner Representative, the Issuer and the Borrower.

The term “**Approved Institutional Buyer**” means (a) a “qualified institutional buyer” as defined in Rule 144A promulgated under the United States Securities Act of 1933, as in effect on the date hereof (the “Securities Act”); (b) an “accredited investor” as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act; (c) an entity that is directly or indirectly wholly owned or controlled by the Bondowner Representative (being a financial institution described in (a) above); (d) an entity all of the investors in which are described in (a), (b) or (c) above; or (e) a custodian or trustee for a party described in (a), (b) or (c) above.

The term “**Assignment of Deed of Trust**” means the Assignment of Deed of Trust and Loan Documents, dated the same date as the date of this Indenture, by the Issuer to the Bondowner Representative.

The term “**Authorized Amount**” means \_\_\_\_\_ Million \_\_\_\_\_ Hundred \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_), the authorized maximum principal amount of the Bonds.

The term “**Authorized Borrower Representative**” means any person who at the time and from time to time may be designated as such, by written certificate furnished to the Issuer and the Bondowner Representative containing the specimen signature of such person and signed on behalf of the Borrower by the Executive Director of the manager of the general partner of the Borrower, which certificate may designate an alternate or alternates.

The term **“Authorized Denomination”** means \$250,000 or any integral multiple of \$5,000 in excess thereof, provided that in any event one Bond may be in a denomination equal to the outstanding principal amount of the Bonds.

The term **“Authorized Issuer Representative”** means the Chair or Vice Chair of the Board of Supervisors of the Issuer, or the Issuer’s County Administrator, Director of the Department of Conservation and Development, Assistant Deputy Director of Conservation and Development or Community Development Board Program Manager, or any other person designated to act in such capacity by a Certificate of the Issuer.

The term **“Bond Counsel”** means (a) Quint & Thimmig LLP, or (b) any attorney at law or other firm of attorneys selected by the Borrower and acceptable to the Issuer of nationally recognized standing in matters pertaining to the federal tax status of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America, but shall not include counsel for the Borrower.

The term **“Bond Documents”** has the meaning given to such term in the Loan Agreement.

The term **“Bond Fund”** means the fund established pursuant to Section 5.02 hereof.

The term **“Bondowner Representative”** means (a) Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America; or (b) any successor thereto under Section 8.08 hereof; or (c) subject to the provisions of Section 8.07, any entity that is the owner of a majority in principal amount of the Bonds then Outstanding or a Person selected by the owners of a majority in principal amount of the Bonds then Outstanding.

The term **“Bonds”** means the County of Contra Costa Multifamily Housing Revenue Bonds (Tabora Gardens Senior Apartments), Series 2016D, issued and outstanding hereunder.

The term **“Bond Year”** means the one-year period beginning on January 1 in each year and ending December 31 in the following year, except that the first Bond Year shall begin on the Closing Date and end on December 31, 2016.

The term **“Borrower”** means Tabora Gardens, L.P., a California limited partnership, and its successors and assigns under the provisions of the Loan Agreement and the Regulatory Agreement.

The term **“Business Day”** means any day other than a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Bondowner Representative’s Principal Office is located are authorized or obligated by law or executive order to close.

The term **“Certificate of the Issuer”** means a certificate of the Issuer signed by an Authorized Issuer Representative.

The term “**Certified Resolution**” means a copy of a resolution of the Issuer certified by the Clerk of the Board of Supervisors of the Issuer or any Deputy thereof to have been duly adopted by the Issuer and to be in full force and effect on the date of such certification.

The term “**Closing Date**” means the date of initial delivery of the Bonds and funding by the initial owner of the Bonds of the Initial Disbursement.

The term “**Code**” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

The term “**Control**” means, 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.

The term “**Debt Service**” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

The term “**Deed of Trust**” means the Construction Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated the same date as the date of this Indenture, executed by the Borrower for the benefit of the Issuer, for the purpose of securing the obligations of the Borrower under the Note and the Loan Agreement (except as otherwise provided in the Loan Agreement), as such deed of trust is originally executed or as from time to time supplemented and amended in accordance with its terms and the terms of the Loan Agreement.

The term “**Default Rate**” has the meaning given to such term in the Note.

The term “**Event of Default**” as used herein, other than with respect to defaults under the Loan Agreement, shall have the meaning specified in Section 7.01 hereof; and as used in the Loan Agreement shall have the meaning specified in Section 15.1 thereof.

The term “**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 (a) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (b) 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, or (c) the investment is a United States Treasury Obligation-State Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

The term “**Holder**,” “**holder**” or “**Bondholder**” or “**owner**” or “**Bondowner**” means the Person in whose name any Bond is registered.

The term “**Indenture**” means this Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture entered into pursuant to the provisions hereof.

The term “**Initial Bond Purchaser**” means Wells Fargo Bank, National Association.

The term “**Initial Disbursement**” means the amount of the initial funding of the Bonds on the Closing Date, as set forth in a Receipt for Promissory Note and Acknowledgement of Funding of Bonds executed by the Bondowner Representative and delivered on the Closing Date.

The term “**Interest Payment Date**” means the first calendar day of each month, commencing \_\_\_\_\_ 1, 2016.

The term “**Investment Securities**” means any of the following (including any funds comprised of the following, which may be funds maintained or managed by the Bondowner Representative and its affiliates), but only to the extent that the same are acquired at Fair Market Value:

(a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or obligations the timely payment of the principal of and interest on which are fully guaranteed by the United States of America, including instruments evidencing an ownership interest in securities described in this clause (a);

(b) obligations, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Export-Import Bank of the United States, Federal Financing Bank, Federal Land Banks, Government National Mortgage Association, Federal Home Loan Mortgage Corporation or Federal Housing Administration;

(c) repurchase agreements (including those of the Bondowner Representative) fully secured by collateral security described in clause (a) or (b) of this definition, which collateral (i) is held by the Agent or a third party agent approved by the Bondowner Representative during the term of such repurchase agreement, (ii) is not subject to liens or claims of third parties and (iii) has a market value (determined at least once every fourteen (14) days) at least equal to the amount so invested;

(d) certificates of deposit of, or time deposits or deposit accounts in, any bank (including the Bondowner Representative) or savings and loan association (i) the debt obligations of which (or in the case of the principal bank of a holding company, the debt obligations of the bank holding company of which) have been rated "A" or better by S&P, or (ii) which are fully insured by the Federal Deposit Insurance Corporation, or (iii) which are secured at all times, in the manner and to the extent provided by law, by collateral security (described in clause (a) or (b) of this definition) of a market value (valued at least quarterly) of no less than the amount of money so invested;

(e) investment agreements of financial institutions or insurance companies, in each case having uninsured, unsecured and unguaranteed obligations rated "AA-" or better by S&P, provided, however, that any such investment may be provided by a financial institution or insurance company having uninsured, unsecured and unguaranteed obligations not rated "AA-" or better by S&P, if such investment is unconditionally insured, guaranteed or enhanced by an entity whose uninsured, unsecured and unguaranteed obligations are rated "AA-" or better by S&P;

(f) shares in any investment company registered under the federal Investment Company Act of 1940 whose shares are registered under the federal Securities Act of 1933 and whose only investments are government securities described in clause (a) or (b) of this definition and repurchase agreements fully secured by government securities described in clause (a) or (b) of this definition and/or other obligations rated "AAA" by S&P, including investment companies and master repurchase agreements from which the Bondowner Representative or an affiliate derives a fee for investment advising or other service;

(g) tax-exempt obligations of any state of the United States, or political subdivision thereof, which are rated "A" or better by S&P or mutual funds invested only in such obligations;

(h) units of a taxable or nontaxable government money-market portfolio composed of U.S. Government obligations and repurchase agreements collateralized by such obligations;

(i) commercial paper rated "A" or better by S&P;

(j) corporate notes or bonds with one year or less to maturity rated "A" or better by S&P;

(k) a money market account or savings account with the Bondowner Representative; or

(l) any other investment approved by the Bondowner Representative.

The term "**Issuance Costs**" means all costs and expenses of issuance of the Bonds, including, but not limited to: (a) Bond purchaser's discount and fees; (b) counsel fees, including Bond Counsel and Borrower's counsel, as well as any other specialized counsel fees incurred in

connection with the issuance of the Bonds or the Loan; (c) the Issuer's fees and expenses incurred in connection with the issuance of the Bonds, including fees of any advisor to the Issuer, and the Issuer administrative fee for processing the request of the Borrower to issue the Bonds; (d) Bondowner Representative's fees and expenses, and Bondowner Representative's counsel fees and expenses; (e) paying agent's and certifying and authenticating agent's fees related to issuance of the Bonds; (f) accountant's fees related to issuance of the Bonds; (g) publication costs associated with the financing proceedings; and (h) costs of engineering and feasibility studies necessary to the issuance of the Bonds.

The term "**Issuer**" means the County of Contra Costa, California, and its successors and assigns as provided in Section 11.01.

The term "**Loan**" means the loan made by the Issuer to the Borrower pursuant to the Agreement for the purpose of financing costs of the acquisition and construction by the Borrower of the Project.

The term "**Loan Agreement**" means the Agreement, as defined herein.

The term "**Loan Documents**" has the meaning given such term in the Loan Agreement.

The term "**Maturity Date**" means \_\_\_\_\_ 1, 20\_\_.

The term "**Maximum Lawful Rate**" means the highest per annum rate of interest permissible to be borne by the Bonds under the Act and any other applicable laws of the State of California.

The term "**Note**" means the Promissory Note Secured by Deed of Trust evidencing the Loan, in the form executed by the Borrower on the Closing Date, and as it may be amended in accordance with the terms of the Loan Agreement and this Indenture.

The term "**Opinion of Counsel**" means a written opinion of counsel, who may be counsel for the Issuer, Bond Counsel or counsel for the Bondowner Representative.

The term "**Outstanding**" or "**outstanding**," when used as of any particular time with reference to Bonds, shall, subject to the provisions of Section 11.08(e), mean all Bonds theretofore authenticated and delivered by the Bondowner Representative under this Indenture except:

(a) Bonds theretofore canceled by the Bondowner Representative or surrendered to the Bondowner Representative for cancellation;

(b) Bonds for the payment or redemption of which moneys or securities in the necessary amount (as provided in Section 10.01) shall have theretofore been deposited with the Bondowner Representative (whether upon or prior to the maturity or the redemption date of such Bonds); and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bondowner Representative pursuant to the terms of Section 2.05.

The term “**Outstanding**” or “**outstanding,**” when used with respect to the principal amount of any particular Bond, means the amount of the purchase price of the Bond theretofore advanced by the Bondowner, less any principal that has theretofore been repaid.

The term “**Person**” or “**person**” means an individual, a corporation, a partnership, a limited partnership, a limited liability company, a limited liability partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

The term “**Principal Office**” means the office of the Bondowner Representative located at the address set forth in Section 11.06 hereof, or at such other place as the Bondowner Representative shall designate by notice given under said Section 11.06.

The term “**Principal Payment Date**” means any date on which principal of the Loan is due and payable under the Note, as provided in the Loan Agreement and the Note.

The term “**Program Fund**” means the fund established pursuant to Section 3.03 hereof.

The term “**Project**” means 85 units of multifamily rental housing to be acquired and constructed by the Borrower with proceeds of the Loan, to be located at 3701 Tabora Drive in the City of Antioch, California, including fixtures and equipment, and including an allocable share of common areas in the building, as well as any 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 units, areas and facilities, and shall include a fee interest in the real property on which such housing is to be located.

The term “**Project Costs**” has the meaning given such term in the Regulatory Agreement.

The term “**Qualified Project Costs**” has the meaning given such term in the Regulatory Agreement.

The term “**Regulations**” means the Income Tax Regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time or pursuant to any predecessor statute to the Code.

The term “**Regulatory Agreement**” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated the same date as the date of this Indenture, by and between the Issuer and the Borrower, as in effect on the Closing Date and as thereafter amended in accordance with its terms.

The term “**Responsible Officer**” of the Bondowner Representative means any officer of the Bondowner Representative assigned to administer its duties hereunder.

The term **“Revenues”** means all amounts pledged hereunder to the payment of principal of, premium, if any, and interest on the Bonds, including, but not limited to, repayments of the Loan required or permitted to be made by the Borrower pursuant to Sections 2.1, 2.2(a), (c) and (d), 2.4 and 2.8 of the Loan Agreement; but such term shall not include payments to the United States, the Issuer, the Administrator or the Bondowner Representative pursuant to Sections 2.3, 3.3(c), (g) and (h), 3.4, 6.1, 6.2, 6.23, 6.30, 6.31, 9.4, 15.2, 15.5, or 16.30 of the Loan Agreement or Sections 6.08 or 8.06 hereof or Sections 2(t), 4A, 9 or 20 of the Regulatory Agreement.

The term **“S&P”** means S&P Global Ratings, or its successors and assigns or, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized rating agency designated by the Bondowner Representative.

The term **“State”** means the State of California.

The term **“Supplemental Indenture”** or **“Indenture Supplemental hereto”** means any indenture hereafter duly authorized and entered into between the Issuer and the Bondowner Representative in accordance with the provisions of this Indenture.

The term **“Tax Certificate”** means the Certificate as to Arbitrage of the Borrower and the Issuer dated the Closing Date.

The term **“Unassigned Rights”** means those certain rights of the Issuer under the Loan Agreement and the Regulatory Agreement to indemnification and to payment or reimbursement of fees and expenses of the Issuer, its right to enforce the Regulatory Agreement pursuant to the terms of such agreement, its right to inspect and audit the books, records and premises of the Borrower and of the Project, its right to collect attorneys’ fees and related expenses, its right to enforce the Borrower’s covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Issuer), its right to receive notices and to grant or withhold consents or waivers under the Regulatory Agreement and this Indenture, its right to amend this Indenture and the Regulatory Agreement in accordance with the provisions hereof and thereof, and its right to approve any amendment to Sections 6.28, 6.29 or 6.33 of the Loan Agreement, or to Section 16.38 of the Loan Agreement that conflicts with Section 2.05 of this Indenture.

The terms **“Written Consent,” “Written Demand,” “Written Direction,” “Written Election,” “Written Notice,” “Written Order,” “Written Request”** and **“Written Requisition”** of the Issuer or the Borrower mean, respectively, a written consent, demand, direction, election, notice, order, request or requisition signed on behalf of the Issuer by an Authorized Issuer Representative, or on behalf of the Borrower by an Authorized Borrower Representative.

**Section 1.02. Rules of Construction.** (a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) All references herein to "Articles," "Sections" and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Indenture as originally executed; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Indenture.

## ARTICLE II

### THE BONDS

**Section 2.01. Authorization.** There are hereby authorized to be issued bonds of the Issuer designated as “County of Contra Costa Multifamily Housing Revenue Bonds (Tabora Gardens Senior Apartments), Series 2016D,” in the aggregate principal amount of up to the Authorized Amount. No Bonds may be issued under this Indenture except in accordance with this Article.

**Section 2.02. Terms of Bonds.** The Bonds shall be in substantially the form set forth in Exhibit A hereto with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture, including any Supplemental Indenture.

The Bonds shall be issuable only as fully registered Bonds, without coupons, in the form of a single Bond in the principal amount equal to the aggregate of the purchase price of the Bonds advanced from time to time by the owner(s) of the Bonds (which principal amounts shall be, on the Closing Date, the amount referenced in Section 3.01(vii)). The Bonds shall be dated the Closing Date and shall be subject to redemption prior to maturity as provided in Article IV. The Bonds shall mature on the Maturity Date.

Interest shall be paid on the Outstanding principal amount of the Bonds, from the Closing Date until the maturity date of the Bonds, on each Interest Payment Date occurring during such period, at a rate equal to, and calculated in the same manner as, the interest payable on the Note.

Each Bond shall bear interest from the date to which interest has been paid on the Bonds next preceding the date of its authentication, unless it is authenticated as of an Interest Payment Date for which interest has been paid, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Interest Payment Date, in which event it shall bear interest from the Closing Date.

The payment or prepayment of principal of and interest on the Bonds shall be identical with and shall be made on the same terms and conditions as the payment of principal of and interest on the Note, as determined in accordance with the Loan Agreement and the Note. Any payment or prepayment made by the Borrower of principal and interest on the Note shall be deemed to be like payments or prepayments of principal and interest on the Bonds.

Payments or prepayments actually made by the Borrower to the Bondowner Representative shall be deemed to have been constructively received by the Holder as payments or prepayments on the Bonds on the date of receipt of such payments by the Bondowner Representative, and interest with respect to each principal payment or prepayment shall cease to accrue upon receipt of such payment by the Bondowner Representative. Payments or prepayments of principal or interest shall be remitted immediately by the Bondowner Representative to the Holder.

The Issuer hereby acknowledges that the Borrower is obligated to pay late fees, loan related fees and other charges under the Note (and as otherwise provided in the Loan Agreement) to the Bondowner Representative, which amounts are paid for the benefit of the Bondowner Representative and shall be retained by the Bondowner Representative for its own account.

**Section 2.03. Payment of Bonds.** Payment of the principal of and interest on any Bond shall be made in lawful money of the United States to the Person appearing on the Bond registration books of the Issuer (maintained by the Bondowner Representative) as the registered owner thereof on the applicable Interest Payment Date, such principal and interest to be paid by check mailed on the Interest Payment Date by first class mail, postage prepaid, to the registered owner at its address as it appears on such registration books, except that the Bondowner Representative may, at the request of any registered owner of Bonds, make payments of principal and interest on such Bonds by wire transfer to the account within the United States designated by such owner to the Bondowner Representative in writing.

**Section 2.04. Execution of Bonds.** The Bonds shall be signed in the name and on behalf of the Issuer with the manual or facsimile signature of an Authorized Issuer Representative. The Bonds shall then be delivered to the Bondowner Representative for authentication by the Bondowner Representative. In case any Person who shall have signed any of the Bonds shall cease to be an Authorized Issuer Representative before the Bonds so signed shall have been authenticated or delivered by the Bondowner Representative or issued by the Issuer, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the Issuer as though the Person who signed the same had continued to be an Authorized Issuer Representative. Also, any Bond may be signed on behalf of the Issuer by such Person as on the actual date of the execution of such Bond is an Authorized Issuer Representative although on the nominal date of such Bond any such person shall not have been an Authorized Issuer Representative.

Only such of the Bonds as shall bear thereon a certificate of authentication in the form set forth in Exhibit A, manually executed by the Bondowner Representative, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture and such certificate of the Bondowner Representative shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**Section 2.05. Transfer of Bonds.** (a) Any Bond may, in accordance with the terms of this Indenture but in any event subject to the provisions of Section 2.05(b) hereof, be transferred upon the books of the Bondowner Representative, required to be kept pursuant to the provisions of Section 2.06, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office of the Bondowner Representative, accompanied by a written instrument of transfer in a form acceptable to the Bondowner Representative, duly executed. Whenever any Bond shall be surrendered for transfer, the Issuer shall execute and the Bondowner Representative shall authenticate and deliver a new Bond to the transferee.

(b) Notwithstanding any other provision hereof, Bonds which are rated lower than BBB-minus by a nationally-recognized municipal rating agency, or Bonds that are not rated, may not be registered in the name of, or transferred to, any person except an Approved Institutional Buyer that executes and delivers to the Bondowner Representative and the Issuer an investor letter substantially in the form attached hereto as Exhibit B; provided, however, that no investor letter is required to be executed by an Affiliate of the Initial Bond Purchaser or an Approved Institutional Buyer that is a trust or other custodial entity sponsored by the Initial Bond Purchaser or an Affiliate of the Initial Bond Purchaser.

Nothing contained in this Section 2.05(b) shall be deemed to limit or otherwise restrict the sale by any holder of any participation interests in any Bond; provided that (i) such holder shall remain the holder of record of such Bond following the sale of any such participation interest; (ii) the purchaser of the participation interest is an Approved Institutional Buyer (in which event such holder shall remain holder for all purposes of this Indenture); (iii) any such participation shall be in a principal amount of at least \$250,000; and (iv) the purchaser of such participation interest shall provide an investor letter to the Issuer substantially in the form of Exhibit B hereto.

(c) Bonds may only be transferred in Authorized Denominations.

(d) The Bondowner Representative shall not allow any transfer of the Note or the Loan, or any interest or interests therein, except in connection with a transfer of a like amount of the Bonds or an interest or interests in the Bonds.

(e) The Bondowner Representative shall require the payment by the Bondholder requesting any such transfer of any tax, fee or other governmental charge required to be paid with respect to such transfer, but any such transfer shall otherwise be made without charge to the Bondholder requesting the same. The cost of printing any Bonds and any services rendered or any out-of-pocket expenses incurred by the Bondowner Representative in connection therewith shall be paid by the Borrower.

(f) The Bondowner Representative shall indemnify and defend the Issuer against any claim brought by any transferor or transferee of the Bonds in respect of the Bonds, this Indenture or any of the Loan Documents in the event that the Bondowner Representative permits a transfer of the Bonds, the Note, the Loan or any interest or interests in any of the foregoing in violation of the restrictions in Section 2.05(b) above.

(g) In no case shall a purchaser of a participation interest in any Bond be deemed to be a Holder of the Bonds, or have any rights of a holder of the Bonds or of the Bondowner Representative hereunder.

(h) Any purported transfer of Bonds not in compliance with the requirements of this Section 2.05 shall be void.

**Section 2.06. Bond Register.** The Issuer hereby appoints the Bondowner Representative as registrar and authenticating agent for the Bonds. The Bondowner Representative will keep or cause to be kept at its Principal Office sufficient books for the

registration and transfer of the Bonds, which shall at all reasonable times during regular business hours upon reasonable notice be open to inspection by the Issuer and the Borrower; and, upon presentation for such purpose, the Bondowner Representative as registrar shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred, on said books, Bonds as hereinbefore provided.

**Section 2.07. Replacement of Bonds.** Upon receipt of evidence reasonably satisfactory to the Issuer of the loss, theft, destruction or mutilation of any of the Bonds, or of any replacement Bonds, and, in the case of any such loss, theft, or destruction, upon the delivery of an indemnity agreement reasonably satisfactory to the Issuer or, in the case of any mutilation, upon the surrender and cancellation of such mutilated Bond, the Issuer, at the expense of the Holder of such Bond, will issue and the Bondowner Representative will authenticate a new Bond, of like tenor and series, in lieu of such lost, destroyed or mutilated Bond.

## ARTICLE III

### ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

**Section 3.01. Authentication and Delivery of the Bonds.** Upon the execution and delivery of this Indenture, the Issuer shall execute the Bonds and deliver them to the Bondowner Representative. Thereupon, and upon satisfaction of the conditions set forth in this Section, and without any further action on the part of the Issuer, the Bondowner Representative shall authenticate the Bonds in an aggregate principal amount not exceeding the Authorized Amount, and shall deliver the Bonds pursuant to the Written Order of the Issuer hereinafter mentioned. Prior to the authentication and delivery of any of the Bonds by the Bondowner Representative, there shall have been delivered to the Bondowner Representative each of the following:

(i) a Certified Resolution authorizing issuance and sale of the Bonds and execution and delivery by the Issuer of the Indenture, the Loan Agreement and the Regulatory Agreement;

(ii) an original executed counterpart of the Loan Agreement;

(iii) the original executed Note, endorsed without recourse by the Issuer to Bondowner Representative;

(iv) an original executed counterpart of the Assignment of Deed of Trust, the Deed of Trust and the other Loan Documents;

(v) an opinion of Bond Counsel with respect to the due execution and delivery of the Indenture, Loan Agreement and Bonds and the exclusion from gross income of the Bondowners of interest on the Bonds for federal income tax purposes;

(vi) an original executed counterpart of the Regulatory Agreement;

(vii) a Written Order of the Issuer to the Bondowner Representative to authenticate and deliver the Bonds as directed in such Written Order, upon payment to Old Republic Title Company, for the account of the Issuer, of the Initial Disbursement;

(viii) an Investor's Letter in the form of Exhibit B hereto, signed by the initial owner of the Bonds; and

(ix) an opinion of counsel to the Borrower addressed to the Issuer to the effect that the Loan Documents to which the Borrower is a party and the Regulatory Agreement are valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their terms, subject to such exceptions and qualifications as are acceptable to the Bondowner Representative and the Issuer.

**Section 3.02. Application of Proceeds of Bonds.** The proceeds received on the Closing Date by the Issuer from the sale of the Bonds shall be deposited with the Bondowner Representative, who shall deposit any portion of such proceeds which are not to be concurrently disbursed to or for the account of the Borrower into the Program Fund created pursuant to Section 3.03. The Bondowner Representative shall deposit any portion of any future advance of the purchase price of the Bonds which is not to be concurrently disbursed to or for the account of the Borrower into the Program Fund.

**Section 3.03. Program Fund.** (a) There is hereby created and established with the Bondowner Representative a fund which shall be designated the "Program Fund." Upon the initial delivery of the Bonds, there shall be deposited in the Program Fund the amount specified in Section 3.01(vii). If required under the provisions of Section 3.02, the Bondowner Representative shall deposit any future advances of the purchase price of the Bonds to the Program Fund. The Borrower also may be required to remit moneys to the Bondowner Representative for deposit to the Program Fund pursuant to the Loan Agreement. Amounts deposited or held in such fund shall be applied only as provided in this Section.

(b) An amount equal to the Initial Disbursement, representing the initial advance by the owners of the Bonds of the purchase price of the Bonds, shall be disbursed by the Bondowner Representative via wire transfer from the Bondowner Representative to Old Republic Title Company (to pay Project Costs).

(c) Subject to Section 2.01 hereof, the Issuer hereby authorizes and directs the disbursement by the Bondowner Representative to the Borrower of the principal amount of the Bonds not disbursed under Section 3.03(b) above, represented by future advances of the purchase price of the Bonds and any amounts from time to time on deposit in the Program Fund in accordance and upon compliance with the provisions of Sections 3.3 and 3.4, as applicable, of the Loan Agreement. The Bondowner Representative shall provide, upon written request of the Issuer, a written notice to the Issuer describing the date of each disbursement of the purchase price of the Bonds and the amount of each disbursement thereof made by the Bondowner Representative.

(d) Neither the Bondowner Representative nor the Issuer shall be responsible for the application by the Borrower of monies disbursed to the Borrower in accordance with this Section 3.03.

(e) From and after the earlier of (i) the Conversion Date or (ii) August 1, 2019, no further advances of the purchase price, or disbursements of the proceeds, of the Bonds shall occur.

(f) During the period when the Bondowner Representative and/or its affiliates are the Holders of all of the Bonds, the Program Fund need not be separately established or administered but rather the Bondowner Representative may hold and administer any amounts to be deposited in such fund in the manner it customarily employs for administration and servicing of amounts to be loaned to borrowers, so long as at all times the Bondowner Representative can determine the amounts attributable to the Bonds and the Loan and any investment earnings thereon.

## ARTICLE IV

### REDEMPTION OF BONDS

**Section 4.01. Circumstances of Redemption.** The Bonds are subject to redemption upon the circumstances, on the dates and at the prices set forth as follows:

(a) The Bonds shall be subject to redemption in whole or in part on any date, at a price equal to the Outstanding principal amount of Bonds plus interest accrued thereon to the date fixed for redemption, together with any applicable premium, upon prepayment of the Note in whole or in part in accordance with the provisions of the Loan Agreement.

(b) The Bonds shall be subject to redemption in whole on any date at a price equal to the Outstanding principal amount of Bonds plus interest accrued thereon to the date fixed for redemption, together with any applicable premium, upon acceleration of the Loan in whole following an Event of Default (as defined in the Loan Agreement).

(c) The Bonds shall be subject to redemption in whole or in part on any date at a price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date, together with any applicable premium, from the proceeds of any mandatory prepayment of the Note under the terms of the Note.

The Bondowner Representative is hereby authorized and directed, and hereby agrees, to fix the date for any such redemption, and, if moneys provided from the sources contemplated by this Indenture, the Loan Agreement and the Note are available, to redeem the applicable Bonds so called on the date so fixed by the Bondowner Representative. If there is more than one Bondowner of the Bonds to be redeemed in part as of any date of redemption, the Bonds shall be redeemed pro rata among the Bondowners. So long as there is only one Bondowner, the Bondowner need not surrender its Bond in connection with any redemption of the Bonds. The Bondowner Representative shall give written notice of such redemption to the Issuer.

**Section 4.02. No Notice of Redemption.** No notice of redemption of the Bonds need be given to the Holders of the Bonds.

**Section 4.03. Effect of Redemption.** The Bonds so called for redemption shall, on the redemption date selected by the Bondowner Representative, become due and payable at the redemption price specified herein, and if moneys provided from the sources contemplated by this Indenture and the Loan Agreement for payment of the redemption price are then held by the Bondowner Representative, interest on the Bonds so called for redemption shall cease to accrue, said Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and the holders of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

All Bonds fully redeemed pursuant to the provisions of this Article IV shall be destroyed by the Bondowner Representative, which shall thereupon deliver to the Issuer, upon the Issuer's written request, a certificate evidencing such destruction.

## ARTICLE V

### REVENUES

**Section 5.01. Pledge of Revenues.** The Issuer is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purposed to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Issuer has duly authorized the execution and delivery of the Bonds and the Indenture under the terms and provisions of the Act and a resolution adopted by the Board of Supervisors of the Issuer and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability against the Issuer of the Bonds and the Indenture. The Issuer has taken all necessary action and has complied with all provisions of the Act required to make the Bonds and this Indenture the valid, legal and binding limited obligations of the Issuer.

All of the Revenues are hereby irrevocably pledged to the punctual payment of the principal of, and interest and any premium on, the Bonds. The Issuer also hereby irrevocably transfers, grants a security interest in and assigns to the Bondowner Representative, for the benefit of the holders from time to time of the Bonds all of the Issuer's right, title and interest in (a) the Revenues; (b) all other amounts payable to Issuer under, or pursuant to, the Note and the other Loan Documents, including but not limited to all proceeds of any title insurance policy, casualty insurance policy or other insurance policy, all proceeds of any condemnation or other taking and all revenues, proceeds, payments and other amounts received from any foreclosure (or action in lieu of foreclosure) or other enforcement action taken pursuant to the Deed of Trust or any other Loan Document (other than amounts paid pursuant to Section 12.10 of the Loan Agreement (solely as they relate to the indemnification of the Issuer and its officers, Supervisors, employees, attorneys and agents); (c) all amounts from time to time on deposit in any fund or account created hereunder, under the Loan Agreement or under any other Loan Document and held by the Bondowner Representative; (d) the Deed of Trust; (e) the Loan Agreement (except for the Unassigned Rights, including the rights of the Issuer under Sections 4A, 9 and 20 of the Regulatory Agreement and Section 12.10 of the Loan Agreement (solely as they relate to the indemnification of the Issuer and its officers, Supervisors, employees, attorneys and agents); (f) the Note; (g) the other Loan Documents; (h) all amendments, modifications, supplements, increases, extensions, replacements and substitutions to or for any of the foregoing; and (i) all proceeds of the foregoing, whether voluntary or involuntary.

The Issuer hereby acknowledges and agrees that, as a result of the assignment and pledge provided for in this Section 5.01, the Issuer has assigned and pledged to Bondowner Representative, and Bondowner Representative shall have the sole right to hold and exercise, all of the rights and remedies (other than the Unassigned Rights) given to Issuer under the Loan Agreement, the Note, the Deed of Trust and the other Loan Documents (except as expressly set forth in the Regulatory Agreement, which allows the Issuer to independently pursue remedies thereunder), including, but not limited to, the following: (i) the right to administer and service the Loan and to amend, modify, supplement, terminate, release and/or reconvey the Loan and the Loan Documents; (ii) the right to enforce the terms and provisions of the Loan Documents; (iii) the right to record and/or file all documents, instruments and agreements which Bondowner Representative deems necessary or desirable to create, preserve, protect and/or

release the liens created by the Deed of Trust and the other Loan Documents; and (iv) the right to collect, hold and disburse amounts to be collected, held and/or disbursed under the Loan Documents, including, but not limited to, principal, interest, fees (other than fees payable to the Issuer), prepayment premiums, default interest, late payment charges, real estate tax impounds, insurance impounds, operating reserve deposits, replacement reserve deposits, title insurance proceeds, casualty insurance proceeds, other insurance proceeds, condemnation and other taking awards and proceeds and other amounts.

All Revenues and all amounts on deposit in the funds and accounts created hereunder or under the Loan Agreement and the other Loan Documents and held by the Bondowner Representative shall be held for the benefit of the holders from time to time of the Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes hereinafter set forth in this Article V.

The Bonds are limited obligations of the Issuer, payable solely from and secured by the pledge of the Revenues hereunder. None of the Issuer, the City of Antioch or the State or any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Bonds, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Bonds are not a pledge of the faith and credit of the Issuer, the City of Antioch or the State or any of its political subdivisions nor do they constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

The Issuer shall not be liable for payment of the principal of or interest on the Bonds or any other costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Bonds or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement or the other Loan Documents.

**Section 5.02. Bond Fund.** There is hereby created and established with the Bondowner Representative a separate fund which shall be designated the "Bond Fund," which fund shall be applied only as provided in this Section.

The Bondowner Representative shall deposit in the Bond Fund from time to time, upon receipt thereof, all Revenues, including (a) income received from the investment of moneys on deposit in the Bond Fund, and (b) any other Revenues, including insurance proceeds, condemnation awards and other Loan payments or prepayments received from or for the account of the Borrower. The Bondowner Representative shall provide notice to the Issuer, upon written request of the Issuer, of the amounts received by the Bondowner Representative which constitute Revenues or are otherwise deposited to the Bond Fund, and of any failure by the Borrower to make timely payments on the Note.

Moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, and interest on the Bonds as the same shall become due, whether at maturity or upon redemption or acceleration or otherwise.

On each date on which principal of or interest on the Bonds is due and payable, the Bondowner Representative shall pay such amount from the Bond Fund (to the extent of the funds contained therein).

So long as the Bondowner Representative and/or its affiliates are the Holders of all of the Bonds, no Revenues shall be deposited into the Bond Fund, and instead all such Revenues, including any payments or prepayments of principal, interest or premium, if any, on the Note actually made by the Borrower to the Bondowner Representative shall be deemed to be like payments or prepayments of principal, interest or premiums (if any) on the Bonds (and no such payments or prepayments shall be required to be deposited into the Bond Fund).

**Section 5.03. Investment of Moneys.** Except as otherwise provided in this Section, any moneys in any of the funds and accounts to be established by the Bondowner Representative pursuant to this Indenture shall be invested by the Bondowner Representative in Investment Securities selected and directed in writing by the Borrower with the prior written consent of the Bondowner Representative, with respect to which payments of principal thereof and interest thereon are scheduled or otherwise payable not later than one day prior to the date on which it is estimated that such moneys will be required by the Bondowner Representative. In the absence of such directions, the Bondowner Representative shall invest such monies in Investment Securities described in clause (k) of the definition thereof. The Bondowner Representative shall have no liability or responsibility for any loss resulting from any investment made in accordance with this Section 5.03.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the 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. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of Section 148 of the Code). The Bondowner Representative shall have no duty to determine Fair Market Value or present value hereunder.

For the purpose of determining the amount in any fund or account, all Investment Securities credited to such fund or account shall be valued at the lower of cost or par (which shall be measured exclusive of accrued interest) after the first payment of interest following purchase.

Any interest, profit or loss on such investment of moneys in any fund or account shall be credited or charged to the respective funds or accounts from which such investments are made. The Bondowner Representative may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment, and the Bondowner Representative shall not be liable or responsible for any loss resulting from such sale or redemption.

The Bondowner Representative may make any and all investments permitted under this Section 5.03 through its own trust or banking department or any affiliate and may pay said department reasonable, customary fees for placing such investments. The Bondowner

Representative and its affiliates may act as principal, agent, sponsor, advisor or depository with respect to Investment Securities under this Section 5.03.

The Issuer (and the Borrower by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower will not receive such confirmations to the extent permitted by law. The Bondowner Representative will furnish the Borrower and the Issuer (to the extent requested by it) periodic cash transaction statements which include detail for all investment transactions made by the Bondowner Representative hereunder.

During the period that the Bondowner Representative and/or its affiliates are the Holders of all of the Bonds, the Bondowner Representative may hold all funds commingled in a single fund, uninvested, or apply such funds as otherwise agreed between the Bondowner Representative and the Borrower, provided that at all times the Bondowner Representative can determine the amounts attributable to the Bonds and the Loan and any investment earnings thereon.

**Section 5.04. Enforcement of Obligations.** The Bondowner Representative also shall be entitled (but not required, unless (i) requested to do so by the holders of a majority in principal amount of the Bonds then Outstanding and (ii) if required by the Bondowner Representative, provided with indemnification to its satisfaction against the costs, expenses and liabilities incurred in compliance with such request) to take all steps, actions and proceedings reasonably necessary in its judgment: (a) to enforce the terms, covenants and conditions of, and preserve and protect the priority of its interest in and under, the Agreement, the Deed of Trust and the other Loan Documents, (b) to require compliance with all covenants, agreements and conditions on the part of the Issuer contained in this Indenture with respect to the Revenues, and (c) to be reimbursed for its expenses (including attorney's fees) by the Borrower in taking any action referred to in the preceding clauses (a) or (b).

**Section 5.05. Notice of Payment in Full of Bonds.** The Bondowner Representative shall provide the Issuer with notice that the Bonds have been paid-in-full, promptly following when such payment occurs.

## ARTICLE VI

### COVENANTS OF THE ISSUER

**Section 6.01. Payment of Principal and Interest.** The Issuer shall punctually pay, but only out of Revenues as herein provided, the principal and the interest (and premium, if any) to become due in respect of every Bond issued hereunder at the times and places and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof. When and as paid in full, all Bonds shall be delivered to the Bondowner Representative and shall forthwith be destroyed.

**Section 6.02. Paying Agents.** The Issuer, with the written approval of the Bondowner Representative, may appoint and at all times have one or more paying agents in such place or places as the Issuer may designate, for the payment of the principal of, and the interest (and premium, if any) on, the Bonds; provided, however, that so long as Wells Fargo Bank, National Association and/or one or more of its affiliates are the registered owners of all of the Bonds then Outstanding, the Bondowner Representative shall have the sole right to appoint, remove and/or replace any paying agent(s) for the Bonds. It shall be the duty of the Bondowner Representative to make such arrangements with any such paying agent as may be necessary and feasible to assure, to the extent of the moneys held by the Bondowner Representative for such payment, the availability of funds for the prompt payment of the principal of and interest and premium, if any, on the Bonds presented at any place of payment. The paying agent initially appointed hereunder is the Bondowner Representative.

**Section 6.03. Preservation of Revenues; Amendment of Documents.** The Issuer (a) shall not take any action to interfere with or impair the pledge and assignment hereunder of Revenues and the assignment to the Bondowner Representative of rights of the Issuer under the Agreement, the Deed of Trust and the other Loan Documents, or the Bondowner Representative's enforcement of any rights hereunder or thereunder; provided that the Issuer may take actions under or pursuant to the Unassigned Rights, (b) shall not take any action to impair the validity or enforceability of the Agreement, the Deed of Trust or the other Loan Documents, and (c) shall not waive any of its rights under or any other provision of or permit any amendment of the Agreement, the Deed of Trust or the other Loan Documents, without the prior written consent of the Bondowner Representative; provided that such consent of the Bondowner Representative shall not be required if the Bondowner Representative shall have received an opinion of Bond Counsel to the effect that such amendment (i) is required to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes or compliance by the Bonds or the Project with the Act and the laws of the State of California; and (ii) will not adversely affect the interests of the Bondholders.

The Bondowner Representative may give such written consent, and may itself take any such action or consent to a waiver of any provision of or an amendment or modification to or replacement of the Agreement, the Deed of Trust, the Regulatory Agreement, any of the other Loan Documents, or any other document, instrument or agreement relating to the security for the Bonds, only if (i) such action or such waiver, amendment, modification or replacement (a) is authorized or required by the terms of this Indenture, the Agreement, the Deed of Trust, the applicable Loan Documents or the Regulatory Agreement, or (b) will not, based on an Opinion

of Counsel furnished to the Bondowner Representative, materially adversely affect the interests of the holders of the Bonds or result in any impairment of the security hereby given for the payment of the Bonds, or (c) has first been approved by the written consent of all of the holders of the Bonds then Outstanding; (ii) the Bondowner Representative shall have first obtained an opinion of Bond Counsel to the effect that such action or such waiver, amendment, modification or replacement will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or conformance of the Bonds and the Project with the Act or the laws of the State of California relating to the Bonds; and (iii) the Bondowner Representative provides written notice of any amendment to, or modification or replacement of, any Loan Document to the Issuer. The foregoing provisions of this paragraph, however, shall not in any way abrogate the Unassigned Rights of the Issuer; and provided that in any event any amendments to such documents do not provide for any additional duties or costs with respect to the Issuer for which the Borrower does not agree in advance to reimburse or indemnify the Issuer therefore.

**Section 6.04. Compliance with Indenture.** The Issuer shall not issue, or permit to be issued, any Bonds secured or payable in any manner out of Revenues other than in accordance with the provisions of this Indenture; it being understood that the Issuer reserves the right to issue obligations payable from and secured by sources other than the Revenues and the assets assigned herein. The Issuer shall not suffer or permit any default within its power to occur under this Indenture, but shall faithfully observe and perform all the covenants, conditions and requirements hereof. So long as any Bonds are Outstanding, the Issuer shall not create or suffer to be created any pledge, lien or charge of any type whatsoever upon all or any part of the Revenues, other than the lien of this Indenture.

**Section 6.05. Further Assurances.** Whenever and so often as requested so to do by the Bondowner Representative, the Issuer (at the sole cost and expense of the Borrower) shall promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Bondowner Representative and the holders of the Bonds all of the rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture and to perfect and maintain as perfected such rights, interests, powers, benefits, privileges and advantages.

**Section 6.06. No Arbitrage.** Solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, the Issuer shall not take, nor permit nor suffer to be taken by the Bondowner Representative or otherwise, any action with respect to the gross proceeds of the Bonds which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of the issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Regulations promulgated thereunder.

**Section 6.07. Limitation of Expenditure of Proceeds.** The Issuer shall assure, solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, that not less than 95 percent of the amount advanced as the purchase price of the Bonds, plus premium (if any) paid on the purchase of the

Bonds by the original purchaser thereof from the Issuer, less any original discount, are used for Qualified Project Costs, and that less than 25 percent of such amount is used for land or an interest in land. The Bondowner Representative shall have no obligation to monitor the Issuer's compliance with or to enforce the terms of this Section.

**Section 6.08. Rebate of Excess Investment Earnings to United States.** The Issuer hereby covenants, solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate (including the Borrower's covenant to make any required rebate payments pursuant to Section 2(t) of the Regulatory Agreement or otherwise) to calculate or cause to be calculated excess investment earnings to the extent required by Section 148(f) of the Code and to pay an amount equal to excess investment earnings to the United States in accordance with the Regulations, all at the sole expense of the Borrower.

**Section 6.09. Limitation on Issuance Costs.** The Issuer shall assure, solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate that, from the proceeds of the Bonds received from the original purchaser thereof and investment earnings thereon, an amount not in excess of two percent (2%) of the proceeds of the Bonds shall be used to pay for, or provide for the payment of, Issuance Costs. For this purpose, if the fees of such original purchaser are retained as a discount on the purchase of the Bonds, such retention shall be deemed to be an expenditure of proceeds of the Bonds for Issuance Costs.

**Section 6.10. Federal Guarantee Prohibition.** The Issuer covenants that it shall take no action nor, solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, knowingly permit nor suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

**Section 6.11. Prohibited Facilities.** The Issuer, solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, shall assure that no portion of the proceeds of the Bonds shall be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises. The Issuer, solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, shall assure that no portion of the proceeds of the Bonds are used for an office unless the office is located on the premises of the facilities constituting the Project and unless 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.

**Section 6.12. Use Covenant.** Solely in reliance upon the covenants and representations of the Borrower in the Loan Agreement, in the Regulatory Agreement and in the Tax Certificate, the Issuer shall not use or knowingly permit the use of any proceeds of Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would result in any of the Bonds being treated as an

obligation not described in Section 142(d) of the Code by reason of such Bond not meeting the requirements of Section 142(d) of the Code.

**Section 6.13. Immunities and Limitations of Responsibility of Issuer.** The Issuer shall be entitled to the advice of counsel (who, except as otherwise provided, may be counsel for any Bondholder), and the Issuer shall be wholly protected as to action taken or omitted under the Bond Documents in good faith 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 under the Bond Documents 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 under the Bond Documents because such action was reasonably believed to be beyond its discretion or powers hereunder, or (c) taken by it under the Bond Documents pursuant to any direction or instruction by which it is governed hereunder, or (d) omitted to be taken by it under the Bond Documents 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 with respect to the foregoing matters. The Issuer shall in no event be liable under the Bond Documents for the application or misapplication of funds or for other acts or defaults by any Person, except its own 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 expense 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. The Issuer shall be entitled to reimbursement from the Borrower for its expenses reasonably incurred or advances reasonably made, with interest at the rate of interest on the Bonds, 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 the Issuer 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.

A default by the Borrower in any of its covenants, representations and agreements in the Loan Agreement, the Regulatory Agreement or the Tax Certificate on which the Issuer is relying in Sections 6.06 through 6.12 hereof shall not be considered a default hereunder by the Issuer.

The Borrower has indemnified the Issuer against certain acts and events as set forth in Sections 6.23 and 16.30 of the Loan Agreement, and Section 9 of the Regulatory Agreement. Such indemnity shall survive payment of the Bonds and discharge of the Indenture.

**Section 6.14. Additional Representations by the Issuer.** The Issuer hereby represents and warrants to the Bondholders and the Bondowner Representative that, as of the Closing Date:

- (a) The Issuer is a political subdivision and body corporate and politic, duly organized and existing under the laws of the State and is duly authorized enter into and perform its obligations under this Indenture.

(b) All requirements have been met and procedures have occurred in order to authorize the execution and delivery by the Issuer of this Indenture. The Issuer has taken all necessary action and has complied with all provisions of the law required to make this Indenture a valid and binding limited obligation of the Issuer, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) The Bonds have been duly authorized, executed and delivered by the Issuer. Nothing in this Indenture shall be construed as requiring the Issuer to provide any financing for the Projects, other than to use the proceeds of the Bonds to make the Loan, or to provide sufficient moneys for all of the costs of financing the Project.

(d) To the best knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Issuer that (i) affects or seeks to prohibit, restrain or enjoin the execution or delivery of this Indenture, the origination of the Loan or the lending of the proceeds of the Loan to the Borrower, or the execution and delivery of the Bond Documents, (ii) affects or questions the validity or enforceability of the Bonds or the Bond Documents, or (iii) questions the tax-exempt status of interest on the Bonds.

The Issuer makes no representation or warranty that the Project will be adequate or sufficient for the purposes of the Borrower. Nothing in this Indenture shall be construed as requiring the Issuer to provide any financing for the Project other than from the proceeds of the Loan.

## ARTICLE VII

### DEFAULT

**Section 7.01. Events of Default; Acceleration; Waiver of Default.** Each of the following events shall constitute an “Event of Default” hereunder:

(a) failure to pay the principal of any Bond when and as the same shall become due and payable, whether by proceedings for redemption, by declaration or otherwise and such failure is not cured within ten (10) days; provided, however, that there shall be no cure period for the outstanding principal which is due and payable on the Maturity Date;

(b) failure to pay any installment of interest on any Bond when such interest installment shall become due and payable and such failure is not cured within ten (10) days; provided, however, that there shall be no cure period for the outstanding interest which is due and payable on the Maturity Date;

(c) the occurrence of an Event of Default under the Loan Agreement; and

(d) failure by the Issuer to perform or observe any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and the continuation of such failure for a period of thirty (30) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Issuer and the Borrower by the Bondowner Representative, or to the Issuer, the Borrower and the Bondowner Representative by the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding.

No default specified in (d) above shall constitute an Event of Default unless the Issuer or the Borrower shall have failed to correct such default within the applicable period; provided, however, that if such default described in (d) above shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Borrower within the applicable period and diligently pursued until the default is corrected not to exceed one hundred eighty (180) days (provided that a default by reason of nonpayment of Bondowner Representative’s fees and expenses may only be waived by the Bondowner Representative). With regard to any alleged default concerning which notice is given to the Borrower under the provisions of (d) above, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in said notice to constitute a default in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

Upon the occurrence of an Event of Default described in (a), (b) or (c) above, unless the principal of all the Bonds shall have already become due and payable, the Bondowner Representative may, and upon the written request of the owners of a majority of the Bonds at the time Outstanding in the case of an Event of Default described in (d) above, the Bondowner Representative shall, by notice in writing to the Issuer, declare the principal of all the Bonds

then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. Upon any such declaration of acceleration, the Bondowner Representative shall fix a date for payment of the Bonds.

The preceding paragraph, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before the first to occur of (a) the date of entry of any judgment or decree for the payment of the moneys due as hereinafter provided or (b) the date five (5) days prior to the date fixed for foreclosure of the Deed of Trust or the liens of any of the other Loan Documents, there shall have been deposited with the Bondowner Representative a sum sufficient to pay all the principal of the Bonds matured or required to be redeemed prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal, all other amounts owing under the Loan Documents, and the reasonable fees and expenses of the Bondowner Representative, its agents and counsel, and any and all other defaults actually known to a Responsible Officer of the Bondowner Representative (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Bondowner Representative or provision deemed by the Bondowner Representative to be adequate shall have been made therefor, then, and in every such case, the declaration shall be rescinded and annulled; but no such rescission, annulment or waiver shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

**Section 7.02. Institution of Legal Proceedings by Bondowner Representative.** If one or more of the Events of Default shall occur, the Bondowner Representative in its discretion may, and upon the written request of the holders of a majority in principal amount of the Bonds then Outstanding and upon being indemnified to its satisfaction against the costs, expenses and liabilities to be incurred in compliance with such request, the Bondowner Representative shall (subject to Section 7.08 hereof) proceed to protect or enforce its rights and/or the rights of the holders of Bonds under the Act or under this Indenture, the Agreement and/or the other Loan Documents, by foreclosure of the Deed of Trust by exercise of the power of private sale thereunder or by judicial action, by foreclosure of or other realization upon the security interests in personal property created pursuant to the Loan Documents by strict foreclosure, judicial action or other remedies permitted by applicable laws, by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein or therein, or in aid of the execution of any power herein or therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Bondowner Representative shall deem most effectual in support of any of its rights or duties hereunder; provided that any such request from the Bondholders shall not be in conflict with any rule of law or with this Indenture, expose the Bondowner Representative to personal liability or be unduly prejudicial to Bondholders not joining therein.

**Section 7.03. Application of Moneys Collected by Bondowner Representative.** Any moneys collected by the Bondowner Representative pursuant to Section 7.02 shall be applied in the order following, at the date or dates fixed by the Bondowner Representative and, in the case of distribution of such moneys on account of principal (or premium, if any) or interest, upon

presentation of the Bonds and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First: For payment of all amounts due to the Bondowner Representative under Section 8.06.

Second: For deposit in the Bond Fund (or as otherwise provided in the last paragraph of Section 5.02) to be applied to payment of the principal of all Bonds then due and unpaid, the premium (if any) and interest thereon; ratably to the Persons entitled thereto without discrimination or preference.

Third: For payment of all other amounts due to any Person hereunder or under the Loan Agreement or the other Loan Documents (other than payments on the Bonds).

Fourth: To the Borrower.

**Section 7.04. Effect of Delay or Omission to Pursue Remedy.** No delay or omission of the Bondowner Representative or of any holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by this Article VII to the Bondowner Representative or to the holders of Bonds may be exercised from time to time and as often as shall be deemed expedient. In case the Bondowner Representative shall have proceeded to enforce any right under this Indenture, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Bondowner Representative, then and in every such case the Issuer, the Bondowner Representative and the holders of the Bonds, severally and respectively, shall be restored to their former positions and rights hereunder in respect to the trust estate; and all remedies, rights and powers of the Issuer, the Bondowner Representative and the holders of the Bonds shall continue as though no such proceedings had been taken.

**Section 7.05. Remedies Cumulative.** No remedy herein conferred upon or reserved to the Bondowner Representative or to any holder of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

**Section 7.06. Covenant to Pay Bonds in Event of Default.** The Issuer covenants that, upon the happening of any Event of Default, the Issuer will pay to the Bondowner Representative upon demand, but only out of Revenues, for the benefit of the holders of the Bonds, the whole amount then due and payable thereon (by declaration or otherwise) for interest or for principal, or both, as the case may be, and all other sums which may be due hereunder or secured hereby, including reasonable compensation to the Bondowner Representative, its agents and counsel, and any expenses or liabilities incurred by the Bondowner Representative hereunder. In case the Issuer shall fail to pay the same forthwith upon such demand, the Bondowner Representative, in its own name and as trustee of an express trust, and upon being indemnified to its satisfaction, shall be entitled to institute proceedings at law or in equity in any court of competent jurisdiction to recover judgment for the whole amount due and unpaid, together with costs and reasonable attorneys' fees, subject,

however, to the condition that such judgment, if any, shall be limited to, and payable solely out of, Revenues and any other assets pledged, transferred or assigned to the Bondowner Representative under Section 5.01 as herein provided and not otherwise. The Bondowner Representative shall be entitled to recover such judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of this Indenture, and the right of the Bondowner Representative to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture.

**Section 7.07. Bondowner Representative Appointed Agent for Bondholders.** The Bondowner Representative is hereby appointed the agent of the holders of all Bonds Outstanding hereunder for the purpose of filing any claims relating to the Bonds.

**Section 7.08. Power of Bondowner Representative to Control Proceedings.** In the event that the Bondowner Representative, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the written request of the holders of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the holders of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Bondowner Representative shall not, unless there no longer continues an Event of Default hereunder, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the holders of at least a majority in principal amount of the Bonds Outstanding hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

**Section 7.09. Limitation on Bondholders' Right to Sue.** No holder of any Bond (except the Bondowner Representative, if it is a holder of Bonds) issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such holder shall have previously given to the Bondowner Representative written notice of the occurrence of an Event of Default hereunder; (b) the holders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Bondowner Representative to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said holders shall have tendered to the Bondowner Representative indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Bondowner Representative shall have refused or omitted to comply with such request for a period of thirty (30) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Bondowner Representative.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any holder of Bonds (except the Bondowner Representative, if it is a holder of Bonds) of any remedy hereunder; it being understood and intended that no one or more holders of Bonds (except the Bondowner Representative, if it is a holder of Bonds) shall have any right in any manner whatever by its or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be

instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the Outstanding Bonds.

The right of any holder of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond out of Revenues, as herein and therein provided, on and after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, except as otherwise provided or allowed pursuant to Sections 5.04, 7.02 and/or 7.08 of this Indenture.

**Section 7.10. Limitation of Liability to Revenues.** Notwithstanding anything in this Indenture contained, the Issuer shall not be required to advance any moneys derived from any source, other than the Revenues, for any of the purposes mentioned in this Indenture, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. The Bonds are limited obligations of the Issuer, and are payable from and secured by the Revenues only. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Loan Agreement, the Bonds or this Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

## ARTICLE VIII

### THE BONDOWNER REPRESENTATIVE AND AGENTS

**Section 8.01. Duties, Immunities and Liabilities of Bondowner Representative.** The Bondowner Representative shall perform such duties and only such duties as are specifically set forth in this Indenture and no additional covenants or duties of the Bondowner Representative shall be implied in this Indenture. The Bondowner Representative shall, during the existence of any Event of Default (which has not been cured or waived), 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 reasonable persons familiar with such matters would exercise or use under similar circumstances in the conduct of their own affairs.

No provision of this Indenture shall be construed to relieve the Bondowner Representative from liability for its own negligence, negligent actions or its own negligent failure to act, except that:

(a) the duties and obligations of the Bondowner Representative shall be determined solely by the express provisions of this Indenture, the Bondowner Representative shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Bondowner Representative; and in the absence of bad faith on the part of the Bondowner Representative, the Bondowner Representative may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Bondowner Representative conforming to the requirements of this Indenture;

(b) At all times, regardless of whether or not any Event of Default shall exist, (i) the Bondowner Representative shall not be liable for any error of judgment made in good faith by a Responsible Officer or officers or by any agent or attorney of the Bondowner Representative appointed with due care (except as otherwise provided in Section 8.01(f)) unless the Bondowner Representative was negligent in ascertaining the pertinent facts; and (ii) the Bondowner Representative shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Issuer, accompanied by an opinion of Bond Counsel as provided herein or in accordance with the directions of the holders of not less than a majority, or such other percentage as may be required hereunder, in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bondowner Representative, or exercising any trust or power conferred upon the Bondowner Representative under this Indenture;

(c) The Bondowner Representative shall not be required to take notice or be deemed to have notice of (i) any default hereunder or under the Loan Agreement, except defaults under Section 7.01(a) or (b) hereof, unless a Responsible Officer of the Bondowner Representative shall be specifically notified in writing of such default by the Issuer or the owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, or (ii) any default under the Regulatory Agreement

unless a Responsible Officer of the Bondowner Representative shall be specifically notified in writing of such default by the Issuer or the Borrower;

(d) Before taking any action under Article VII hereof or this Section at the request or direction of the Bondholders, the Bondowner Representative may require that a satisfactory indemnity bond be furnished by the Bondholders, for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability which may be incurred in compliance with such request or direction, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken;

(e) Upon any application or request by the Issuer to the Bondowner Representative to take any action under any provision of this Indenture, the Issuer shall furnish to the Bondowner Representative a Certificate of the Issuer stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with, and an Opinion of Counsel stating that in the opinion of such Counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished;

(f) The Bondowner Representative may execute any of the powers hereunder or perform any duties hereunder either directly or through agents or attorneys and the Bondowner Representative shall not be responsible for any negligence or misconduct on the part of any agent or attorney appointed with due care by it hereunder (but this provision shall not prohibit any action against any such agent or attorney for their negligent acts);

(g) Neither the Issuer nor the Borrower shall be deemed to be agents of the Bondowner Representative for any purpose, and the Bondowner Representative shall not be liable for any noncompliance of any of them in connection with their respective duties hereunder or in connection with the transactions contemplated hereby;

(h) The Bondowner Representative shall be entitled to rely upon telephonic notice for all purposes whatsoever so long as the Bondowner Representative reasonably believes such telephonic notice has been given by a Person authorized to give such notice;

(i) The immunities extended to the Bondowner Representative also extend to its directors, officers, employees and agents;

(j) Under no circumstances shall the Bondowner Representative be liable in its individual capacity for the obligations evidenced by the Bonds, it being the sole obligation of the Bondowner Representative to administer, for the benefit of the Bondholders, the various funds and accounts established hereunder;

(k) No permissive power, right or remedy conferred upon the Bondowner Representative hereunder shall be construed to impose a duty to exercise such power, right or remedy;

(l) The Bondowner Representative shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage expressly provided for herein with respect to a particular action) in aggregate principal amount of Bonds Outstanding related to the exercise of any right, power or remedy available to the Bondowner Representative; and

(m) The Bondowner Representative shall have no duty to review any financial statements, budgets or other financial information filed with it by or on behalf of the Borrower under or pursuant to the Loan Agreement or the other Loan Documents.

None of the provisions contained in this Indenture shall require the Bondowner Representative to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. Whether or not therein expressly so provided, every provision of this Indenture, the Loan Agreement, the Regulatory Agreement or any other document relating to the conduct, powers or duties of, or affecting the liability of, or affording protection to, the Bondowner Representative shall be subject to the provisions of this Article VIII.

**Section 8.02. Right of Bondowner Representative to Rely Upon Documents, Etc.**  
Except as otherwise provided in Section 8.01:

(a) The Bondowner Representative may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties;

(b) Any consent, demand, direction, election, notice, order or request of the Issuer mentioned herein shall be sufficiently evidenced by a Written Consent, Written Demand, Written Direction, Written Election, Written Notice, Written Order or Written Request of the Issuer, and any resolution of the Issuer may be evidenced to the Bondowner Representative by a Certified Resolution;

(c) The Bondowner Representative may consult with counsel (who may be counsel for the Issuer, counsel for the Bondowner Representative or Bond Counsel) 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 and in accordance with the opinion of such counsel;

(d) Whenever in the administration of this Indenture the Bondowner Representative 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, in the absence of

negligence or bad faith on the part of the Bondowner Representative, be deemed to be conclusively proved and established by a Certificate of the Issuer; and such Certificate of the Issuer shall, in the absence of negligence or bad faith on the part of the Bondowner Representative, be full warrant to the Bondowner Representative for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof; and

(e) The Bondowner Representative shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture or other paper or document, but the Bondowner Representative, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

**Section 8.03. Bondowner Representative Not Responsible for Recitals.** The recitals contained herein and in the Bonds shall be taken as the statements of the Issuer, and the Bondowner Representative assumes no responsibility for the correctness of the same or for the correctness of the recitals in the Loan Agreement or the Regulatory Agreement. The Bondowner Representative 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 Bondowner Representative makes no representations as to the value or condition of any assets pledged or assigned as security for the Bonds, or as to the right, title or interest of the Issuer therein, or as to the security provided thereby or by this Indenture, the Loan Agreement, the Deed of Trust or the other Loan Documents, or as to the compliance of the Project with the Act, or as to the tax-exempt status of the Bonds, or as to the technical or financial feasibility of the Project, or as to the validity or sufficiency of this Indenture as an instrument of the Issuer or of the Bonds as obligations of the Issuer. The Bondowner Representative shall not be accountable for the use or application by the Issuer of any of the Bonds authenticated or delivered hereunder or of the use or application of the proceeds of such Bonds by the Issuer or the Borrower or their agents.

**Section 8.04. Intervention by Bondowner Representative.** The Bondowner Representative may intervene on behalf of the Bondholders in any judicial proceeding to which the Issuer is a party and which, in the opinion of the Bondowner Representative and its counsel, has a substantial bearing on the interests of owners of the Bonds and, subject to the provisions of Section 8.01(d), shall do so if requested in writing by the owners of a majority in aggregate principal amount of all Bonds then Outstanding.

**Section 8.05. Moneys Received by Bondowner Representative.** All moneys received by the Bondowner Representative shall, until used or applied as herein provided, be held exclusively (subject to other provisions of this Indenture governing disposition of monies in funds and accounts) for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law or as otherwise provided herein. The Bondowner Representative shall be under no liability for interest on any moneys received by it hereunder except such as it may agree with the Issuer to pay thereon. Any moneys held by the Bondowner Representative may be deposited by it in its banking department and invested in Investment Securities.

**Section 8.06. Compensation and Indemnification of Bondowner Representative and Agents.** The Borrower is required under the Loan Agreement: (a) to pay to the Bondowner Representative certain fees and other compensation as set forth therein and under the other agreements related to the Bonds to which it is a party; (b) to reimburse the Bondowner Representative upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bondowner Representative in accordance with any provision of this Indenture or other agreement related to the Bonds to which the Bondowner Representative is a party or incurred in complying with any request made by the Issuer with respect to the Bonds (including the reasonable compensation and the expenses and disbursements of its agents and counsel); (c) to indemnify the Bondowner Representative and to hold it harmless as set forth therein and in the other agreements related to the Bonds to which it is a party; and (d) to indemnify the Bondowner Representative for any reasonable fees incurred during a period of default hereunder.

If any property, other than cash, shall at any time be held by the Bondowner Representative subject to this Indenture, or any Supplemental Indenture, as security for the Bonds, the Bondowner Representative, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this Indenture as such security for the Bonds, shall be entitled but not obligated to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The rights of the Bondowner Representative to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances shall have and is hereby granted a lien and a security interest prior to the Bonds in respect of all property and funds held or collected by the Bondowner Representative as such, except funds held by the Bondowner Representative for the benefit of the holders of particular Bonds owned by other than the Bondowner Representative and/or its affiliates, which amounts shall be held solely for the benefit of those Bondholders and used only for the payment of principal of and premium, if any, and interest on the Bonds. The Bondowner Representative's rights to immunities, indemnities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment of the Bonds.

**Section 8.07. Qualifications of Bondowner Representative.** The Bondowner Representative hereunder shall be Wells Fargo Bank, National Association or a corporation, limited liability company, partnership or banking association organized and doing business under the laws of the United States or of a state thereof. No change in the Bondowner Representative shall be made except upon the written direction of the owners of a majority in the principal amount of the Bonds Outstanding (any replacement Bondowner Representative that is not either affiliated with the then Bondowner Representative or that is not the owner of a majority in principal amount of the then Outstanding Bonds, to be reasonably acceptable to the Issuer). The Issuer shall have no right to remove or replace the Bondowner Representative.

Any successor Bondowner Representative shall acknowledge its acceptance of its obligations under this Indenture by a written instrument delivered to the Issuer, the Borrower and, if the successor is not the sole owner of all of the Bonds then Outstanding, the owners of the Bonds.

**Section 8.08. Merger or Consolidation of Bondowner Representative.** Any corporation or association into which the Bondowner Representative may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Bondowner Representative shall be a party, or any corporation or association succeeding to the bond purchase program business of the Bondowner Representative, shall be the successor of the Bondowner Representative hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor Bondowner Representative shall be eligible under the provisions of Section 8.07 (other than the parenthetical contained therein).

**Section 8.09. Dealing in Bonds.** The Bondowner Representative, 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 which any Bondholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Bondowner Representative 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, and may act as depository, trustee, bondowner representative or agent for any committee or body of Bondholders secured hereby or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

**Section 8.10. Indemnification of Issuer by Bondowner Representative.** The Bondowner Representative acknowledges that notwithstanding any other provision of this Indenture, the Bondowner Representative is acting as an independent contractor and not as the agent of Issuer in servicing and administering the Bonds and the Loan. The Bondowner Representative agrees to indemnify, hold harmless and defend the Issuer and its Supervisors, officers, agents and employees against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature (including, without limitation, attorneys' fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from or arising out of or related to any act or omission on the part of the Bondowner Representative under the Bond Documents or the Loan Documents caused by the negligence or willful misconduct of the Bondowner Representative.

If a third party makes a claim against the Issuer that may be subject to indemnification pursuant to this Section 8.10, the Issuer shall give prompt written notice of such claim to the Bondholder Representative; provided, however, that the failure to provide such notice shall not release the Bondholder Representative from any of its obligations hereunder except only to the extent the Bondholder Representative is prejudiced by such failure. The Bondholder Representative shall be entitled to assume and control the defense of such claim at its expense through counsel of its choice, provided that such counsel is reasonably satisfactory to the Issuer. The Issuer shall cooperate with the Bondholder Representative, at the expense of the Bondholder Representative, in such defense and make available to the Bondholder Representative any witnesses, pertinent records, materials and information in the Issuer's possession as reasonably required by the Bondholder Representative. The Issuer shall have no right to settle or compromise any claim or consent to the entry of any judgment against the Issuer which is the subject of indemnification hereunder without the prior written consent of the Bondholder Representative; and the Bondholder Representative shall have no right to settle

or compromise any claim against the Issuer or consent to the entry of any judgment against the Issuer without the prior written consent of the Issuer.

**Section 8.11. Bondowner Representative Not Agent of Issuer.** The Bondowner Representative acknowledges that notwithstanding any other provision of this Indenture, the Bondowner Representative is acting as an independent contractor and not as the agent of Issuer in servicing and administering the Bonds and the Loan.

## ARTICLE IX

### MODIFICATION OF INDENTURE

**Section 9.01. Modification of Indenture.** With the prior written consent of all of the holders of the Bonds at the time Outstanding, evidenced as provided in Section 11.08, the Issuer and the Bondowner Representative may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture; provided, however, that, no such Supplemental Indenture shall reduce the aforesaid percentage of holders of Bonds whose consent is required for the execution of such Supplemental Indentures. Upon receipt by the Bondowner Representative of a Certified Resolution authorizing the execution of any such Supplemental Indenture, and upon the filing with the Bondowner Representative of evidence of the consent of Bondholders, as aforesaid, the Bondowner Representative shall join with the Issuer in the execution of such Supplemental Indenture, unless (i) such Supplemental Indenture affects the Bondowner Representative's own rights, duties or immunities under this Indenture or otherwise, in which case the Bondowner Representative may in its discretion, but shall not be obligated to, enter into such Supplemental Indenture; or (ii) such Supplemental Indenture affects the rights or obligations of the Borrower hereunder or under the Loan Agreement, in which case the Bondowner Representative shall enter into such Supplemental Indenture only if the Bondowner Representative has received the Borrower's written consent thereto.

It shall not be necessary for the consent of the Bondholders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Issuer and the Bondowner Representative of any Supplemental Indenture pursuant to the provisions of this Section, the Bondowner Representative (unless at the time the Bondowner Representative and/or one or more of its affiliates are the owners of all of the Bonds then Outstanding) shall give Bondholders and the Borrower, by first class mail, a notice setting forth in general terms the substance of such Supplemental Indenture. Any failure of the Bondowner Representative to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

**Section 9.02. Effect of Supplemental Indenture.** Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article IX, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Bondowner Representative and all holders of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

**Section 9.03. Opinion of Counsel as to Supplemental Indenture.** Subject to the provisions of Section 8.01, the Bondowner Representative shall be entitled to receive, and shall

be fully protected in relying upon, an Opinion of Counsel as conclusive evidence that any Supplemental Indenture executed pursuant to the provisions of this Article IX is authorized and permitted by this Indenture.

**Section 9.04. Notation of Modification on Bonds; Preparation of New Bonds.** Bonds authenticated and delivered after the execution of any Supplemental Indenture pursuant to the provisions of this Article IX may bear a notation, in form approved by the Bondowner Representative and the Issuer, as to any matter provided for in such Supplemental Indenture, and if such Supplemental Indenture shall so provide, new Bonds, so modified as to conform, in the opinion of the Bondowner Representative and the Issuer, to any modification of this Indenture contained in any such Supplemental Indenture, may be prepared and authenticated by the Bondowner Representative and delivered without cost to the holders of the Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

## ARTICLE X

### DISCHARGE OF INDENTURE

**Section 10.01. Discharge of Indenture.** If the entire indebtedness on all Bonds Outstanding shall be paid and discharged in any one or more of the following ways:

(a) by the payment of the principal of (including redemption premium, if any) and interest on all Bonds Outstanding; or

(b) by the delivery to the Bondowner Representative, for cancellation by it, of all Bonds Outstanding;

and if all other sums payable hereunder by the Issuer shall be paid and discharged, then and in that case this Indenture shall cease, terminate and become null and void, and the Bondowner Representative shall forthwith execute proper instruments acknowledging satisfaction of and discharging this Indenture. The fees, expenses and charges of the Bondowner Representative (including reasonable counsel fees) must be paid in order to effect such discharge. The satisfaction and discharge of this Indenture shall be without prejudice to the rights of the Bondowner Representative to charge and be reimbursed by the Borrower for any expenditures which it may thereafter incur in connection herewith.

The Issuer or the Borrower may at any time surrender to the Bondowner Representative for cancellation by it any Bonds previously authenticated and delivered which the Issuer or the Borrower lawfully may have acquired in any manner whatsoever, and such Bonds upon such surrender and cancellation shall be deemed to be paid and retired.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01. Successors of Issuer.** All the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not. If any of the powers or duties of the Issuer shall hereafter be transferred by any law of the State of California, and if such transfer shall relate to any matter or thing permitted or required to be done under this Indenture by the Issuer, then the body or official who shall succeed to such powers or duties shall act and be obligated in the place and stead of the Issuer as in this Indenture provided.

**Section 11.02. Limitation of Rights to Parties and Bondholders.** Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Issuer, the Bondowner Representative, the Borrower and the holders of the Bonds issued hereunder any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Issuer, the Bondowner Representative, the Borrower and the holders of the Bonds issued hereunder.

**Section 11.03. Waiver of Notice.** Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 11.04. Destruction of Bonds.** Whenever in this Indenture provision is made for the cancellation by the Bondowner Representative and the delivery to the Issuer of any Bonds, the Bondowner Representative may, in lieu of such cancellation and delivery, destroy such Bonds and deliver a certificate of such destruction to the Issuer.

**Section 11.05. Separability of Invalid Provisions.** In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

**Section 11.06. Notices.** It shall be sufficient service of any notice, request, demand or other paper on the Issuer, the Bondowner Representative or the Borrower if the same shall, except as otherwise provided herein, be duly made by U.S. certified mail, return receipt requested, postage prepaid, by a nationally-recognized overnight delivery service or by telecopier (promptly confirmed by mail or overnight delivery service as described above), in each case addressed to the appropriate party at the address for such party set forth below:

The Issuer or the Administrator: County of Contra Costa  
Department of Conservation and Development  
30 Muir Road  
Martinez, California 94533  
Attention: Community Development Bond  
Program Manager

The Bondowner Representative: Wells Fargo Bank, National Association  
4747 Executive Drive, 3<sup>rd</sup> Floor  
San Diego, California 92121  
Attention: Loan Administrator

with a copy to: Wells Fargo Bank, National Association  
333 Market Street, 18<sup>th</sup> Floor  
MAC A0119-183  
San Francisco, California 94105  
Attention: Loan Administration Officer

The Borrower: Tabora Gardens, L.P.  
c/o Satellite Affordable Housing Associates  
1835 Alcatraz Avenue  
Berkeley, California 94703  
Attention: Executive Director

with a copy to: Gubb & Barshay LLP  
505 14th Street, Suite 1050  
Oakland, California 94612  
Attention: Scott Barshay, Esq.

and a copy to: \_\_\_\_\_  
c/o Raymond James Tax Credit Funds, Inc.  
880 Carillon Parkway  
St. Petersburg, Florida 33716  
Attention: \_\_\_\_\_

and a copy to: Bocarsly Emden Cowan Esmail & Arndt LLP  
633 West Fifth Street, 64<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Rachel Rosner, Esq.

Except as provided in the immediately succeeding sentence, any notice given in accordance with this Section 11.06 shall be deemed to have been duly given upon actual receipt or refusal to accept delivery. The Issuer, the Bondowner Representative and the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, which shall be effective 7 days after such notice is given as provided herein.

**Section 11.07. Authorized Representatives.** Whenever under the provisions of this Indenture the approval of the Issuer or the Borrower is required for any action, and whenever the Issuer or the Borrower is required to deliver any notice or other writing, such approval or such notice or other writing shall be given, respectively, on behalf of the Issuer by the Authorized **Issuer** Representative or on behalf of the Borrower by an Authorized Borrower Representative, and the Issuer, the Bondowner Representative and the Borrower shall be authorized to act on any such approval or notice or other writing and neither party hereto nor the Borrower shall have any complaint against the others as a result of any such action taken.

**Section 11.08. Evidence of Rights of Bondholders.** (a) Any request, consent or other instrument required by this Indenture to be signed and executed by Bondholders may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bondholders in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the ownership of any Bonds, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Bondowner Representative and of the Issuer if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

(c) The ownership of Bonds shall be proved by the Bond register maintained pursuant to Section 2.06 hereof. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Bondowner Representative may deem sufficient. The Bondowner Representative may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

(d) Any request, consent or vote of the holder of any Bond shall bind every future holder of the same Bond and the holder of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bondowner Representative or the Issuer in pursuance of such request, consent or vote.

(e) In determining whether the holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or the Borrower or any affiliate of the Borrower or by any other direct or indirect obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Issuer or any other direct or indirect obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided that, for the purpose of determining whether the Bondowner Representative shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Bondowner Representative knows to be so owned shall be disregarded. Bonds so owned which have been

pledged in good faith may be regarded as Outstanding for the purposes of this subsection (e) if the pledgee shall establish to the satisfaction of the Bondowner Representative and the Issuer 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 Issuer or any other direct or indirect obligor on the Bonds. In case of a dispute as to such right, any decision by the Bondowner Representative taken upon the advice of counsel shall be final and binding upon all holders and pledgees of the Bonds.

(f) In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Bondowner Representative may call and hold a meeting of the Bondholders upon such notice and in accordance with such rules and regulations as the Bondowner Representative considers fair and reasonable for the purpose of obtaining any such action.

**Section 11.09. Waiver of Personal Liability.** No member of the Board of Supervisors, officer, agent or employee of the Issuer, and no officer, official, agent or employee of the State or any department, board or agency of any of the foregoing, shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such person from the performance of any official duty provided by law or by this Indenture.

**Section 11.10. Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the date provided therefor in this Indenture and, in the case of any payment, no interest shall accrue for the period from and after such date.

**Section 11.11. Execution in Several Counterparts.** This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same instrument.

**Section 11.12. Governing Law.** This Indenture and the Bonds shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed in the State.

**Section 11.13. Successors.** Whenever in this Indenture and the Bonds either the Issuer or the Bondowner Representative 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 Bondowner Representative shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

IN WITNESS WHEREOF, the COUNTY OF CONTRA COSTA, CALIFORNIA has caused this Indenture to be signed in its name and WELLS FARGO BANK, NATIONAL ASSOCIATION, in token of its acceptance of the duties of the Bondowner Representative hereunder, has caused this Indenture to be signed in its name, all as of the day and year first above written.

COUNTY OF CONTRA COSTA,  
CALIFORNIA, as Issuer

By: \_\_\_\_\_  
John Kopchik,  
*Director, Department of Conservation  
and Development*

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Bondowner  
Representative

By: \_\_\_\_\_  
\_\_\_\_\_  
*Vice President*

03007.34:J14116

[Signature page to Indenture - Tabora Gardens Senior Apartments]

**EXHIBIT A**

**FORM OF BOND**

THIS BOND MAY BE OWNED ONLY BY AN "APPROVED INSTITUTIONAL BUYER" (AS SUCH TERM IS DEFINED IN THE INDENTURE REFERENCED BELOW) OR OTHER ENTITY PERMITTED UNDER THE INDENTURE, AND THE HOLDER HEREOF, BY THE ACCEPTANCE OF THIS BOND (A) REPRESENTS THAT IT IS AN APPROVED INSTITUTIONAL BUYER OR OTHER PERMITTED TRANSFEREE, AND (B) ACKNOWLEDGES THAT IT CAN ONLY TRANSFER THIS BOND TO ANOTHER APPROVED INSTITUTIONAL BUYER OR OTHER PERMITTED TRANSFEREE.

Up to \$\_\_\_\_\_

**COUNTY OF CONTRA COSTA  
MULTIFAMILY HOUSING REVENUE BOND  
(TABORA GARDENS SENIOR APARTMENTS), SERIES 2016D**

_____ Dated Date _____ Maturity Date _____
August __, 2016 _____ 1, 20__

REGISTERED OWNER: WELLS FARGO BANK, NATIONAL ASSOCIATION

PRINCIPAL SUM: Up to \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND DOLLARS

The County of Contra Costa, California, a political subdivision and body corporate and politic, duly organized and existing under the laws of the State of California (herein called the "Issuer"), for value received, hereby promises to pay (but only out of Revenues as hereinafter provided) to the Registered Owner identified above or registered assigns, the sum of up to \_\_\_\_\_ Million \_\_\_\_\_ Hundred \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_ ) together with interest on the unpaid Outstanding Balance (as hereinafter defined) at the interest rate referenced in the Indenture referred to below, until the Issuer's obligation to pay the Outstanding Balance shall be discharged. The Outstanding Balance shall mean the purchase price of the Bonds (defined below) which has been advanced by the purchaser thereof under the Indenture, and has not been repaid by the Issuer as of the date of calculation of the Outstanding Balance, subject to the provisions of the second paragraph of Section 2.01 of the Indenture.

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement or the Indenture hereinafter mentioned.

This Bond shall mature on the Maturity Date set forth above, and the entire unpaid principal balance of and any accrued interest on this Bond shall be paid in full on or before such

date. Interest shall be due and payable on each Interest Payment Date in accordance with the requirements of the Indenture.

In the event the Issuer fails to make the timely payment of any monthly payment, and such payment remains unpaid for a period of ten (10) days subsequent to the established payment date, the Issuer shall pay interest on the then Outstanding Balance at the Default Rate, as defined in the Indenture referred to below. Additional amounts shall be remitted to the owner of this Bond as required by the Indenture, arising by reason of payments due under the Note (as defined below) and the Loan Agreement referenced below in excess of the principal and interest due on this Bond.

This Bond is one of a duly authorized issue of bonds of the Issuer designated as "County of Contra Costa Multifamily Housing Revenue Bonds (Tabora Gardens Senior Apartments), Series 2016D" (the "Bonds"), in the initial aggregate principal amount of up to \$\_\_\_\_\_, authorized to be issued pursuant to Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (herein called the "Act"), and issued under and secured by an Indenture, dated as of August 1, 2016 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as Bondowner Representative (the "Bondowner Representative"). 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, of the rights, duties and immunities of the Bondowner Representative and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the holder of this Bond, by acceptance hereof, assents and agrees.

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM REVENUES AND RECEIPTS PLEDGED UNDER THE INDENTURE. THE BONDS DO NOT CONSTITUTE A DEBT OF THE ISSUER OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER (OTHER THAN WITH RESPECT TO THE AMOUNTS SPECIFICALLY PLEDGED THEREFOR UNDER THE INDENTURE), OR OF THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT OR FUTURE OFFICER, MEMBER OF THE BOARD OF SUPERVISORS, EMPLOYEE OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, MEMBERS OF THE BOARD OF SUPERVISORS, EMPLOYEES OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF, AND CONSIDERATION FOR, THE EXECUTION AND ISSUANCE OF THIS BOND.

The Bonds are 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, the Revenues (as that term is defined in the Indenture), consisting primarily of amounts paid by Tabora Gardens, L.P., a California limited partnership (the "Borrower") pursuant to a Loan Agreement, dated the same date as the date of the Indenture (the "Loan Agreement"), among the Bondowner Representative, the Issuer and the Borrower, to finance the acquisition and construction of a multifamily rental housing project by the Borrower in the City of Antioch, California. The loan of the proceeds of the Bonds under the Loan Agreement (the "Loan") will be evidenced by a promissory note (the "Note") of the Borrower.

The Bonds shall be subject to redemption in accordance with the Indenture. Without limitation on the generality of the foregoing, the Bonds shall be subject to redemption prior to maturity, at a price equal to the principal amount of Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption (a) in whole or in part on any Interest Payment Date, upon prepayment of the Note in whole or in part; (b) in whole following acceleration of the Loan upon the occurrence of an Event of Default under and as defined in the Loan Agreement; and (c) in whole or in part on any date from the proceeds of any mandatory prepayment of the Note under the terms of the Note or the Loan Agreement.

No notice of redemption of Bonds need be given to the registered owners of the Bonds, and the owner of this Bond, by acceptance hereof, expressly waives any requirement for any notice of redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least a majority in aggregate principal amount of the Bonds then outstanding.

The Bonds are issuable only as fully registered Bonds without coupons in a single instrument.

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 Bondowner Representative, but only in the manner, subject to the limitations (including those in Section 2.05 of the Indenture) 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 will be issued to the transferee in exchange herefor. The Issuer and the Bondowner Representative may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Bondowner Representative shall not be affected by any notice to the contrary. By its acceptance of this Bond, the registered owner hereof agrees not to sell any participating interests in this Bond, except as permitted by the Indenture.

The Indenture contains provisions permitting the Issuer and the Bondowner Representative 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. In the event of any inconsistency between the provisions of this Bond and the provisions of the Indenture, the provisions of the Indenture shall be controlling.

The Issuer hereby certifies that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California (including the Act) and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Bondowner Representative.

IN WITNESS WHEREOF, the COUNTY OF CONTRA COSTA, CALIFORNIA has caused this Bond to be executed in its name by the manual or facsimile signature of an Authorized Issuer Representative, all as of the Dated Date set forth above.

COUNTY OF CONTRA COSTA, CALIFORNIA

By: \_\_\_\_\_  
Candace Anderson,  
*Chair of the Board of Supervisors*

**FORM OF CERTIFICATE OF AUTHENTICATION**

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

Date: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
*as Bondowner Representative*

By: \_\_\_\_\_  
\_\_\_\_\_  
*Vice President*

[Signature page to Bond for Tabora Gardens Senior Apartments]

**FORM OF ASSIGNMENT**

For value received, the undersigned do(es) hereby sell, assign and transfer unto

\_\_\_\_\_  
\_\_\_\_\_

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

\_\_\_\_\_, attorney,  
to transfer the same on the registration books of the Bondowner Representative, with full power  
of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a  
eligible guarantor.

\_\_\_\_\_  
NOTICE: The signature on this assignment must  
correspond with the name(s) as written on  
the face of the within Bond in every  
particular without alteration or enlargement  
or any change whatsoever.

## EXHIBIT B

### FORM OF INVESTOR'S LETTER

County of Contra Costa, California  
Martinez, California

Wells Fargo Bank, National Association,  
as Bondowner Representative  
San Diego, California

Re: County of Contra Costa Multifamily Housing Revenue Bonds (Tabora Gardens  
Senior Apartments), Series 2016D

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Ladies and Gentlemen:

The undersigned (the "Purchaser"), being the purchaser of \$\_\_\_\_\_ principal amount of the above-referenced bonds (the "Bonds") issued pursuant to the Indenture, dated August 1, 2016 (the "Indenture"), between the County of Contra Costa, California (the "Issuer") and Wells Fargo Bank, National Association, as the initial Bondowner Representative (the "Bondowner Representative") does hereby certify, represent and warrant for the benefit of the Issuer and the Bondowner Representative that:

(a) The Purchaser is an "Approved Institutional Buyer."

(b) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, and is capable of evaluating the merits and risks of its investment in the Bonds. The Purchaser is able to bear the economic risk of, and an entire loss of, an investment in the Bonds.

(c) The Purchaser is acquiring the Bonds solely for its own account for investment purposes, and does not presently intend to make a public distribution of, or to resell or transfer, all or any part of the Bonds, except as contemplated by the Indenture, or as otherwise permitted by the Indenture.

(d) The Purchaser understands that the Bonds have not been registered under the United States Securities Act of 1933, as amended, or under any state securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it, and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

(e) The Purchaser is familiar with the conditions, financial and otherwise, of the Borrower and understands that the Borrower has no significant assets other than the Project. Further, the Purchaser understands that the Bonds involve a high degree of risk. Specifically, and without in any manner limiting the foregoing, the Purchaser understands and acknowledges that, among other risks, the Bonds are payable solely from the Revenues. The Purchaser has been provided an opportunity to ask questions of, and the Purchaser has received answers from, representatives of the Borrower and the Bondowner Representative regarding the terms and conditions of the Bonds. The Purchaser has obtained all information requested by it in connection with the issuance of the Bonds as it regards necessary to evaluate all merits and risks of its investment in the Bonds. The Purchaser has reviewed the documents executed in conjunction with the issuance of the Bonds, including, without limitation, the Indenture, the Loan Documents and the Regulatory Agreement.

(f) The Purchaser is not now and has never been controlled by, or under common control with, the Borrower. The Borrower has never been and is not now controlled by the Purchaser. The Purchaser has entered into no arrangements with the Borrower or with any affiliate in connection with the Bonds, other than as disclosed to the Issuer.

(g) The Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Bonds. The individual who is signing this letter on behalf of the Purchaser is a duly appointed, qualified, and acting officer of the Purchaser and is authorized to cause the Purchaser to make the certificates, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

(h) In entering into this transaction, the Purchaser has not relied upon any representations or opinions of the Issuer or the Bondowner Representative relating to the legal consequences or other aspects of its investment in the Bonds, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Project (including the financing or management thereof), or any other matter pertaining to the merits or risks of the transactions contemplated by the Loan Agreement and the Indenture, or the adequacy of the funds pledged to the Bondowner Representative to secure repayment of the Bonds.

(i) The Purchaser understands that the Bonds are not secured by any pledge of any moneys received or to be received from taxation by the Issuer (which has no taxing power), the State of California or any political subdivision or taxing district thereof; that the Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of California or any political subdivision thereof; that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal and interest on the Bonds; and that the liability of the Issuer with respect to the Bonds is subject to further limitations as set forth in the Bonds and the Indenture.

(j) The Purchaser has been informed that the Bonds (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating from any rating service.

(k) The Purchaser acknowledges that it has the right to sell and transfer the Bonds, including interests in the Bonds, subject to compliance with the transfer restrictions set forth in Section 2.05 of the Indenture, including in certain circumstances the requirement for the delivery to the Issuer and the Bondowner Representative of an investor's letter in the same form as this Investor's Letter, including this paragraph. Failure to comply with the provisions of Section 2.05 of the Indenture shall cause the purported transfer to be null and void. The Purchaser agrees to indemnify and hold harmless the Issuer with respect to any claim asserted against the Issuer that arises with respect to any sale, transfer or other disposition of the Bonds by the Purchaser or any transferee thereof in violation of the provisions of the Indenture.

(l) None of the Bondowner Representative, Bond Counsel, the Issuer, its members, its governing body, or any of its employees, counsel or agents will have any responsibility to the Purchaser for the accuracy or completeness of information obtained by the Purchaser from any source regarding the Borrower or its financial condition or the Project, or regarding the Bonds, the provision for payment thereof, or the sufficiency of any security therefor. No written information has been provided by the Issuer to the Purchaser with respect to the Bonds. The Purchaser acknowledges that, as between the Purchaser and all of such parties, the Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Bonds.

(m) The Purchaser acknowledges that the Bonds are exempt from the requirements of Rule 15c2-12 of the Securities and Exchange Commission and that the Issuer has not undertaken to provide any continuing disclosure with respect to the Bonds.

The Purchaser acknowledges that the sale of the Bonds to the Purchaser is made in reliance upon the certifications, representations and warranties herein by the addressees hereto. Capitalized terms used and not otherwise defined herein have the meanings given to such terms in the Indenture.

[PURCHASER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_