

TRUST INDENTURE

Dated as of November 1, 2022

between

**LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI**

and

**UMB BANK, N.A.,
as Trustee**

Securing

\$11,000,000

**Multifamily Housing Revenue Bonds
(Palestine Gardens Project)
Series 2022**

of

**Land Clearance for Redevelopment Authority
of Kansas City, Missouri**

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of November 1, 2022 (this “**Indenture**”), is between the LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI, a public body corporate and politic duly organized and validly existing under the laws of the State of Missouri and the ordinances of the City of Kansas City, Missouri, and its successors and assigns (the “**Issuer**”), and UMB BANK, N.A., a national banking association organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, as Trustee (the “**Trustee**”), with an administrative office in the City of Kansas City, Missouri.

RECITALS

1. The Issuer is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, R.S.Mo, as amended (“**LCRA Law**”), and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“**City Council**”) of the City of Kansas City, Missouri (“**City**”) on November 21, 1952.

2. The Issuer has agreed to assist in the financing of the costs of the acquisition, construction, rehabilitation, and equipping of a total of 118-units in two buildings known as the Palestine Gardens North Apartments located at 3220 Montgall and the Palestine Gardens Apartments located at 2627 E. 33rd Street to preserve existing units for very low-income residents aged 62 and over and other related improvements (the “**Project**”); in the City of Kansas City, Missouri, for PG/PGN, LP (the “**Borrower**”), a limited partnership organized and existing under the laws of the State of Missouri. The Project is located within the 33rd & Montgall Urban Renewal Area.

3. Pursuant to the Act, the Issuer is authorized to issue its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 in the aggregate principal amount of not to exceed \$11,000,000 (the “**Bonds**”), the proceeds of which will be applied, at the request of the Borrower, to finance the Project and to pay certain costs of issuing the Bonds.

4. The Issuer passed and approved Resolution No. 12-3-21 on December 28, 2021, and Resolution No. 10-____-22 on October 25, 2022 (collectively, the “**Resolution**”) authorizing the issuance of the Bonds pursuant to this Indenture for the above purposes.

5. Pursuant to the Resolution, the Issuer is authorized to enter into (i) this Indenture for the purpose of issuing and securing the Bonds as provided below, (ii) the Loan Agreement dated as of November 1, 2022 (the “**Loan Agreement**”), between the Issuer and the Borrower, under which the Issuer will loan the proceeds of the Bonds to the Borrower (the “**Loan**”) to finance the Project in part, (iii) the Land Use Restriction Agreement dated as of November 1, 2022 (the “**Land Use Restriction Agreement**”), and (iv) the Tax Compliance Agreement dated as of November 1, 2022 (the “**Tax Agreement**”), each among the Issuer, the Borrower, and the Trustee, relating to compliance with certain federal requirements applicable to the Project, and (v) the Redevelopment Contract dated as of November 1, 2022 (the “**Redevelopment Contract**”) between the Issuer and the Borrower.

6. The Trustee will apply the proceeds from the sale of the Bonds under the provisions of this Indenture and the Loan Agreement to finance the Project.

7. The respective right, title and interest of the Issuer in and to the Loan Agreement and the Loan and the security therefor, including any payments made and expenses incurred in connection with the Loan, and all proceeds thereof and the security therefor (including all casualty insurance benefits and condemnation awards) and any interest, profits and other income derived from the investment of the foregoing is assigned to the Trustee under this Indenture.

8. The Bonds will be secured by the Security Documents (defined below).

9. The Bonds and the Trustee's Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in **Exhibit A**, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture.

10. All things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid lien on the properties, interests, revenues and payments herein pledged to the payment of the Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds does hereby bargain, sell, convey, pledge, assign and grant a security interest, without recourse, unto the Trustee in and to the following, subject only to the provisions of this Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth herein (said property being herein referred to as the "***Trust Estate***"), to wit:

I.

All right, title and interest of the Issuer in and to any moneys held under this Indenture by the Trustee in the funds established and maintained by the Trustee in accordance with Section 401.

II.

The Note, the Rental Payments, the Security Documents and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under this Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof, including the proceeds of the above.

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

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

PROVIDED, HOWEVER, that if the Issuer shall pay or cause to be paid to the owners of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner provided in Article IX and if the Issuer keeps, performs and observes, or causes to be kept, performed and observed, all its covenants, warranties and agreements contained herein, this Indenture and the estate and rights granted by this Indenture will, at the option of the Issuer, cease, determine and be void. The Trustee will then cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as are required to satisfy the lien of this Indenture, and re-convey to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except funds held by the Trustee for the payment of interest on, premium, if any, and principal of the Bonds; otherwise this Indenture will remain in full force and effect, and upon the trusts and subject to the covenants and conditions set forth below.

ARTICLE I. DEFINITIONS AND INTERPRETATION

Section 101. Definitions. The words and terms defined in this **Section 101** or the Recitals (except as otherwise expressly provided in this Indenture or unless the context otherwise requires) have the respective meanings specified in this **Section 101** and the Recitals for all purposes of this Indenture and any supplemental indenture. Terms not otherwise defined in this Indenture have the meanings set forth in the Loan Agreement.

“Act” means collectively Sections 99.300 – 99.660 and Sections 99.700 – 99.715, Missouri Revised Statutes, as supplemented and amended from time to time.

“Additional Charges” means all costs and expenses incurred in connection with the issuance of the Bonds as more fully described in Section 4.03 of the Loan Agreement.

“Administrative Office” means (i) with respect to the initial Trustee, for notice and administration purposes, initially, 928 Grand, 12th Floor, Kansas City, Missouri 64106 Attention: Corporate Trust Department, and (ii) with respect to any successor Trustee, its office for notice and administration purposes designated as such by the successor Trustee.

“Annual Budget” means the budget prepared by the Borrower or the Manager(s) with respect to the Project as delivered to the Trustee on or before the Issue Date and thereafter as required by, or amended in accordance with, Section 5.06 of the Loan Agreement.

“Approved Investor” means any investor that is (i) a “qualified institutional buyer” as defined in Rule 144A promulgated by the Securities Exchange Commission under the Securities

Act of 1933, as amended, (ii) an “accredited investor” as defined in Rule 501(a)(1), (2), (3), (4), (7) or (8) of Regulation D promulgated by the Securities Exchange Commission under the Securities Act of 1933, as amended, or (iii) a custodial trust the sole beneficial owners of which are entities described in clauses (i) and (ii).

“Assignment of Capital Contributions” means the Assignment of Capital Contributions dated as of November 1, 2022, by Borrower for the benefit of Trustee, as amended, modified, supplemented or restated from time to time.

“Assignment of Project Documents” means the Assignment of Project Documents dated as of November 1, 2022, by Borrower for the benefit of Trustee, with the acknowledgement and consent of Double Diamond Construction and Development Company L.L.C., as general contractor, and Odimo LLC, as Project architect, as amended, modified, supplemented or restated from time to time.

“Authorized Borrower Representative” means the person at the time designated to act on behalf of the Borrower as evidenced by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by the General Partner or, if the Borrower is a corporation, by its President or Vice President. The certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties and exercise all powers of an Authorized Borrower Representative.

“Authorized Denomination” means \$100,000 and any amount in excess thereof or the aggregate principal amount of the Bonds then Outstanding.

“Authorized Issuer Representative” means the Executive Director, Chair or Vice Chair of the Issuer, or such other person at the time designated to act on behalf of the Issuer as evidenced by a written certificate furnished to the Trustee and containing the specimen signature of such person and signed on behalf of the Issuer by its Executive Director, Chair or Vice Chair. The certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authorized Issuer Representative.

“Beneficial Owner” means, for any Bond that is held by a nominee, the beneficial owner of such Bond.

“Bond Counsel” means the Hardwick Law Firm, LLC, as bond counsel, and any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to obligations 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, selected to act in that capacity by the Issuer with the written consent of the Sole Bondowner.

“Bond Fund” means the Bond Fund established in **Section 401(b)**.

“Bond Documents” means this Indenture, the Loan Agreement, Land Use Restriction Agreement, Tax Compliance Agreement, Bond Purchase Agreement and all other documents and certificates entered into in connection with the issuance of the Bonds.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated as of November 1, 2022 among the Issuer, and the Sole Bondowner, as amended, modified, supplemented and restated from time to time.

“Bond Obligation” means, as of the date of calculation, the principal amount of Bonds then Outstanding.

“Bond Register” means the register and all accompanying records kept by the Bond Registrar evidencing the registration, transfer and exchange of Bonds.

“Bond Registrar” means the Trustee.

“Bondowner,” or **“Owner”** of the Bonds means the person or persons in whose name any Bond is registered from time to time on the Bond Register.

“Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 in the aggregate principal amount of not to exceed \$11,000,000.

“Borrower” means PG/PGN, LP, a Missouri limited partnership, and its successors and assigns.

“Business Day” means any day other than a Saturday, a Sunday or any other day on which banking institutions in the city in which the Administrative Office or Payment Office of the Trustee is located are authorized or required to be closed.

“Certificate of the Issuer,” “Statement of the Issuer” and **“Request of the Issuer”** means, respectively, a written certificate, statement or request signed in the name of the Issuer by its Authorized Issuer Representative or such other person as may be designated and authorized to sign for the Issuer. Any instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“City” means the City of Kansas City, Missouri.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor statute of similar import, and regulations promulgated thereunder, in each case, as in effect from time to time. References to sections of the Code shall be construed also to refer to any successor sections.

“Completion Certificate” means the certificate described in **Section 403**.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

“Consultant” means an independent person, appointed by the Borrower and approved in writing by the Sole Bondowner, who is nationally recognized as being expert as to matters for which its certifications or advice is required or contemplated. The written approval by the Sole Bondowner will be conclusive evidence for the Trustee that the approved person meets the requirements of this definition.

“Conversion Date” means the later of (a) May 1, 2024, or (b) the fifth Business Day after the Trustee and the Sole Bondowner receive and accept (i) the Completion Certificate and (ii) a certificate of the Borrower stating that for at least 90 consecutive days immediately prior to the date of such certificate, the Debt Service Coverage Ratio for the project has been equal to or greater than 1.0:1.0. The Conversion Date may be extended by the Sole Bondowner at the written request of the Borrower with notice to the Trustee and to the Issuer.

“Costs of Issuance” means all expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, Financial Advisor’s fees, discount and expenses, counsel fees (including Bond Counsel, Financial Advisor’s counsel, Trustee’s counsel, Issuer’s counsel and financial advisor, Borrower’s counsel, and Sole Bondowner’s counsel as well as any other specialized counsel fees incurred in connection with the issuance of the Bonds), the Issuer’s issuance fee and costs and accountant fees related to the issuance of the Bonds, printing costs, costs incurred in connection with the required public approval process and costs of engineering and feasibility studies necessary to the issuance of the Bonds (as opposed to studies related to completion of the Project, but not to the Bond financing), mortgage banking fees, initial Trustee, Bond Registrar and Paying Agent fees, title insurance fees, survey fees and recording and filing fees.

“Costs of Issuance Fund” means the Costs of Issuance Fund established in **Section 401(g)**.

“Cumulative Outstanding Balance” means as of any particular time, the aggregate principal amount of advances of portions of the purchase price of the Bonds which has then come under the Bond Purchase Agreement and has been paid to the Trustee, less the aggregate principal amount of Bonds which have been redeemed as of that time.

“Debt Service” means the aggregate principal (whether at maturity or pursuant to sinking fund redemption requirements) and interest payments on the Bonds and the Ordinary Trustee’s Fees for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service to the extent that such principal or interest is payable from amounts irrevocably deposited in trust, escrowed or otherwise set aside for the payment thereof with the Trustee.

“Debt Service Coverage Ratio” means the ratio of Net Operating Income to the Debt Service for the period or periods of calculation.

“Deed of Trust” means the Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement dated as of November __, 2022, from the Borrower for the benefit of the Trustee, as amended, modified, supplemented and restated from time to time.

“Defeasance Securities” means:

- (a) Government Obligations which are not subject to redemption prior to maturity; or
- (b) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with Government Obligations); or
- (c) Pre-refunded municipal obligations meeting the requirements of paragraph (k) of the definition of Permitted Investments; or

(d) Obligations issued by the following agencies which are backed by the full faith and credit of the United States: (i) U.S. Export-Import Bank (Eximbank), Direct obligations or fully guaranteed certificates of beneficial ownership; (ii) Farmers Home Administration (FmHA), Certificates of beneficial ownership; (iii) Federal Financing Bank; (iv) General Services Administration, Participation certificates; (iv) U.S. Maritime Administration, Guaranteed Title XI financing; (v) U.S. Department of Housing and Urban Development (HUD), Project Notes, Local Authority Bonds, New Communities Debentures - U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds.

“Determination of Taxability” means (i) a determination by the Commissioner or any District Director of the Internal Revenue Service, (ii) a determination by any court of competent jurisdiction, or (iii) receipt by the Trustee, at the request of the Borrower or any Bondowner, of an Opinion of Bond Counsel that the interest on the Bonds is includable in gross income for federal income tax purposes of the Owners thereof or any former Owner thereof, other than an Owner who is a “substantial user” (as such term is defined in Section 147(a) of the Code) of the Project or a Related Person. However, (1) no Determination of Taxability under clause (i) or (ii) shall be deemed to have occurred if the Borrower has been afforded the opportunity to contest such determination, has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (a) a final determination from which no appeal may be taken with respect to such determination, (b) abandonment of such appeal by the Borrower, or (c) two years from the date of initial determination, and (2) no Determination of Taxability under clause (iii) shall be deemed to have occurred if, within 45 days after the receipt by the Borrower of an opinion under clause (iii), the Borrower delivers to the Trustee an Opinion of Bond Counsel that the interest on the Bonds is excludable from gross income for federal income tax purposes of the Owners thereof or any former Owner thereof, other than an Owner who is a “substantial user” (as such term is defined in Section 147(a) of the Code) of the Project or a Related Person.

“Disbursing Agreement” means the Escrow and Disbursing Agreement and by and between the Borrower and UMB Bank, N.A., as Disbursing Agent.

“Disbursing Agent” means UMB Bank, N.A. as Disbursing Agent under the Disbursing Agreement.

“Disbursement Request” means a written request for disbursement in substantially the form of **Exhibit B** or **C**, as applicable.

“Event of Bankruptcy” means, as to the Borrower or the General Partner, any of the following with regard to such party:

(a) the commencement by such party of a voluntary case under the United States Bankruptcy Code, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws, and, either an order of insolvency, relief or reorganization is entered against such party or the proceeding remains undismissed and unstayed for a 90-day period;

(b) the filing of a petition with a court having competent jurisdiction over such party to commence an involuntary case against such party under the United States

Bankruptcy Code, as now in effect or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar laws, and, either an order of insolvency, relief or reorganization is entered against such party or the proceeding remains undismissed and unstayed for a 90-day period;

(c) such party shall admit in writing its inability to pay its debts generally as they become due;

(d) a receiver, trustee or liquidator of such party shall be appointed in any proceeding brought against such party;

(e) assignment by such party for the benefit of its creditors; or

(f) the entry by such party into an agreement of composition with its creditors.

“Event of Default” means any event or occurrence set forth in **Section 601**.

“Expense Fund” means the Expense Fund established in **Section 401(e)**.

“Extraordinary Fees and Expenses” means the reasonable fees, expenses, disbursements and advances (including legal and accounting fees), payable to the Trustee in connection with any provision of this Indenture, the Loan Agreement and the Security Documents that are in excess of the Ordinary Trustee’s Fees and which relate to extraordinary matters other than the anticipated administration of this Indenture, the Loan Agreement and the Security Documents. Extraordinary matters include, by way of example, any default or event of default, any litigation or threatened litigation and any requested amendment or supplement to this Indenture, the Loan Agreement or any Security Document.

“General Partner” means, collectively, PG/PGN Owner, LLC, a Missouri limited liability company, managing general partner of the Borrower, and Palestine Fulson GP, LLC, a Missouri limited liability company, general partner of the Borrower.

“Government Obligations” means direct obligations of, or obligations fully guaranteed as to the full and timely payment by, the United States of America.

“Gross Revenues” means, for any period, all receipts, revenues, income and other moneys received by or on behalf of the Borrower from the Project during the period, including: (i) all monthly lease revenues and all other revenues (excluding security and other similar deposits); (ii) the proceeds of any insurance; (iii) the proceeds of any sale, transfer, or other disposition of the Project; and (iv) any condemnation or any other damage award received by or owing to the Borrower.

“Indenture” means this Trust Indenture and all supplemental indentures.

“Interest Payment Date” means the first day of each month, commencing December 1, 2022. In any case where an Interest Payment Date is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding day that is a Business Day with the same force and effect as if such payment was made on the originally

scheduled date and no interest shall accrue for the period after the 1st day of the month through the date payment is actually made.

“Investor Letter” means a letter substantially in the form set forth in **Exhibit D-1** or **D-2**, as appropriate.

“Issue Date” means November ____, 2022, the date of initial issuance and delivery of the Bonds.

“Issuer” means the Land Clearance for Redevelopment Authority of Kansas City, Missouri, a public body corporate and politic organized and existing under the laws of the State and the ordinances of the City, and its successors and assigns.

“Land Use Restriction Agreement” means the Land Use Restriction Agreement dated as of November 1, 2022, among the Issuer, the Borrower and the Trustee, as amended, modified, supplemented and restated from time to time or any agreement entered into in substitution therefor.

“LIHTC” means the federal low-income housing tax credits provided for under Section 42 of the Code to be issued to Borrower by MHDC in connection with the Project, in the anticipated amount of \$_____ per year for fifteen years to be issued to Borrower in connection with the Project.

“Loan” means each loan of the proceeds of the Bonds by the Issuer to the Borrower under the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated as of November 1, 2022, between the Borrower and the Issuer, as amended, modified, supplemented and restated from time to time.

“Loan Agreement Payment Default” means the Borrower’s failure to make a Basic Payment when due and that failure continues for 30 days, whether or not the Trustee has given notice to the Borrower.

“Manager(s)” means the manager or manager(s) of the Project designated by the Borrower in writing, initially, with respect to the Project, _____, Missouri, or any successor or assign pursuant to Section 7.01 of the Loan Agreement.

“Managing Member” means PG/PGN Managing Member, a Missouri limited liability company, a limited partner of the Borrower.

“MHDC” means the Missouri Housing Development Commission.

“Net Operating Income” means Operating Revenues less Operating Expenses (excluding depreciation, amortization of financing expenses, start-up costs and other non-cash charges to income) and other proper charges determined in accordance with generally accepted accounting principles.

“Operating Expenses” means all operating expenses of the Borrower in connection with the Project, calculated on an annualized accrual basis, which are due and payable at any time during

any consecutive 12-month period, including, but not by way of limitation, municipal assessments; annualized monthly portion of real estate taxes and similar annual or otherwise aggregated costs; liability, fire and extended coverage insurance; loss or damage not covered by insurance; accounting, monitoring and audit fees, including attorneys' fees relating thereto; franchise or other taxes payable in respect of the capital of the Borrower; taxes assessed upon or payable in respect of personal and/or real property of the Borrower; management and marketing or leasing fees; the Extraordinary Fees and Expenses; and other disbursements deemed by the Borrower to be necessary or desirable incident to the normal operation of developments similar to the Project, including any investor services fee and any tax credit shortfall payment paid from Operating Revenues.

“Operating Revenues” means all revenues received by the Borrower, including interest thereon, from operations of the Project during any consecutive 12-month period, including, but not limited to, rents received from residential tenants, interest and other earnings received on Borrower accounts, parking fees, miscellaneous revenue and rents arising from laundry and vending machines at any time during any calendar year except on account of any advance rents (other than when applied to rents then due), or tenants' security or reservation deposits (if forfeited), or other like items.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel addressed to the Issuer and to the Trustee, for the benefit of the Trustee and the Sole Bondowner.

“Opinion of Counsel” means a written opinion of an attorney or firm of attorneys addressed to the Trustee, for the benefit of the Trustee and the Sole Bondowner of the Bonds, who may (except as otherwise expressly provided in this Indenture) be counsel to the Issuer, the Borrower, the Sole Bondowner or the Trustee, and who is acceptable to the Trustee and the Sole Bondowner.

“Ordinary Trustee's Fees” means an acceptance and set-up fee of \$_____, plus a semiannual amount equal to \$_____, payable in advance to the Trustee on the Issue Date and in the months of July and January thereafter, commencing on the Issue Date for the partial semiannual period ending _____, 2022.

“Outstanding”, when used with respect to the Bonds, means all Bonds authenticated and delivered under this Indenture, *except*:

- (a) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Bonds redeemed pursuant to Article III;
- (c) Bonds for the payment or redemption of which moneys or obligations has been deposited with the Trustee in accordance with Article IX;
- (d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture;
- (e) Bonds for which moneys have been made available for payment and which are being held by the Trustee pursuant to **Section 414**;

provided, however, that in determining whether the Owners of the requisite principal amount of Outstanding Bonds have been given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Issuer or the Borrower shall be disregarded and deemed not to be Outstanding, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be disregarded.

“Partnership Agreement” means the Amended and Restated Partnership Agreement of PG/PGN, LP, dated as of _____, 2022.

“Paying Agent” means the Trustee acting as paying agent and not in its capacity as Trustee.

“Payment Office” means, (i) with respect to the initial Trustee, for payment, registration, maintenance of the Bond Register and exchange purposes, initially, _____, Kansas City, Missouri 64105, and (ii) with respect to any successor Trustee, its office or offices for those purposes designated as such by the successor Trustee.

“Person” means an individual, partnership, corporation, limited liability company or unincorporated organization and a government, agency or political subdivision thereof.

“Project” means the acquisition, construction, rehabilitation and equipping of a total of a 118-units in two buildings known as the Palestine Gardens North Apartments located at 3220 Montgall and the Palestine Gardens Apartments located at 2627 E. 33rd Street to preserve existing units for very low-income residents aged 62 and over and other related improvements in the City, the costs of which will be paid in whole or in part, or for which the Borrower will be reimbursed in whole or in part, from the proceeds of the sale of the Bonds.

“Project Costs” means those costs for the acquisition, construction, rehabilitation and equipping of the Project or any portion thereof which are chargeable to the capital account of the Project or would be so chargeable either with a proper election by the Borrower, or but for a proper election by the Borrower, to deduct such amounts, but excluding Costs of Issuance.

“Project Fund” means the Project Fund established pursuant to **Section 401(a)**.

“Property” means any interest of any kind in property or asset, whether real, personal or mixed, or tangible or intangible.

“Purchaser” means Legacy Bank & Trust Company.

“Qualified Investments” means any of the following if and to the extent permitted by law:

- (a) Government Obligations;
- (b) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation;
- (c) certificates of deposit, federal funds, time deposits and bankers’ acceptances in any bank which has outstanding, or which is the principal bank of a bank holding

company (including without limitation, the Trustee or any bank affiliated with the Trustee) which has outstanding, an issue of unsecured debt obligations rated at the time of investment at least “A-1” (or equivalent) by the Rating Agency (with respect to Qualified Investments which have a term to maturity of 365 days or less) or at least as high as any Rating Agency rating on the Bonds, but in no event rated lower than “A” (or equivalent) by the Rating Agency; and

(d) U.S. dollar denominated deposit accounts that are fully and continuously insured by the FDIC; and

(e) money market funds (1) registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and (2) which invests solely in securities described in one or more of clauses (i) through (iv) above, and rated AAAm or AAAm-G by the Rating Agency, including an investment company managed by the Trustee or an affiliate of the Trustee;

provided that (1) if any instrument is rated, the instrument shall not have an “r” highlighter affixed to its rating, (2) the terms of the obligation shall have a predetermined, fixed principal amount due at maturity without variance or change, and (3) if any obligation (other than an obligation described in clause (v)) bears interest at a variable rate, the interest rate shall be tied to a single interest rate index plus a single fixed spread, if any, and shall move proportionately with such rate index. For purposes of this subparagraph, the fact that the Trustee or an affiliate of the Trustee is providing services to and receiving remuneration from the foregoing investment company or trust as an investment advisor, custodian, transfer agent, registrar, or otherwise shall not preclude the Trustee from investing in the securities of such investment company or investment trust.

“Rating Agency” means either Standard & Poor’s, A Division of the McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, or Moody’s Investors Service, or their respective successors and assigns, and, if both corporations have been dissolved or liquidated or no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Issuer by written notice to the Trustee and the Borrower.

“Rebate Analyst” means Rebate Analyst as defined in the Tax Agreement.

“Rebate Fund” means the Rebate Fund established in **Section 401(h)**.

“Record Date” means the fifteenth day, whether or not a Business Day, of the calendar month immediately preceding each Interest Payment Date.

“Redevelopment Contract” means the Redevelopment Contract dated as of November 1, 2022, between the Issuer and the Borrower, as amended, modified, supplemented and restated from time to time

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the requirements of Code §§ 103 and 141 through 150 and applicable to the Bonds.

“Related Person” means a “related person” within the meaning of Section 147(a) of the Code.

“Rental Payment” means each payment required to be made by the Borrower under Section 4.02 and Section 4.03 of the Loan Agreement.

“Replacement Requisition” means a requisition in substantially the form of Exhibit A to the Custody Agreement.

“Retained Earnings Fund” means the Retained Earnings Fund established in **Section 401(h)**.

“Revenue Fund” means the Revenue Fund established in **Section 401(g)**.

“Securities Depository” means The Depository Trust Company, New York, New York, or any successor Securities Depository appointed pursuant to **Section 209**.

“Security Documents” means the Deed of Trust, the Assignment of Project Documents and the Assignment of Capital Contributions.

“Sole Bondowner” means Legacy Bank & Trust Company, and its successors and assigns, as the sole registered owner of the Bond. If at any time the Legacy Bank & Trust Company, and its successor and assigns do not solely own the Bonds, the term Sole Bondowner shall mean the Owners of a majority of the Bond Obligation.

“State” means the State of Missouri.

“State Limited Partner” means PG/PNG, LP, a Missouri limited partnership, and its successors and assigns.

“Tax Agreement” means the Tax Compliance Agreement dated as of November 1, 2022, among the Issuer, the Borrower and the Trustee, as amended, modified, supplemented and restated from time to time.

“Tax Credits” means the LIHTC.

“Trust Estate” for the Trust Estate, as such terms are more fully described in the Granting Clause of this Indenture.

“Trustee” means UMB Bank, N.A., with an administrative office in the City, until a successor has become Trustee pursuant to this Indenture, and thereafter the successor Trustee.

“United States Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended, Title 11 United States Code, Section 101 *et seq.*

Section 102. Interpretation.

- (1) This Indenture shall be interpreted in accordance with and governed by the laws of the State.
- (2) The words “herein”, “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Indenture as a whole rather than to any particular section or subdivision of this Indenture.
- (3) References in this Indenture to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Indenture as originally executed.
- (4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.
- (5) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Indenture, and shall not define or limit the provisions of this Indenture.
- (6) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.
- (7) Words importing person shall include partnerships, limited liability companies, associations and corporations, including public bodies, as well as natural persons.
- (8) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Indenture.
- (9) Any opinion of counsel required under this Indenture shall be a written opinion of such counsel.
- (10) If additional general partners are admitted to the Borrower, references to the General Partner or “general partner” shall be deemed to refer to, and be binding upon, each general partner of the Borrower.
- (11) Wherever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.
- (12) When used in this Indenture, “day” means “calendar day.”

ARTICLE II. THE BONDS

Section 201. Authorized Amount of Bonds.

(a) Bonds may not be issued under this Indenture except in accordance with this Article. The Bonds shall be issued as fully registered bonds, without coupons. The Bonds shall be issued as draw down bonds in the aggregate principal amount of not to exceed \$11,000,000 and shall be numbered from “R-1” consecutively upward.

(b) The Cumulative Outstanding Balance of the Bonds shall mature on the dates and in the amounts set forth below and shall bear interest on the Cumulative Outstanding Balance, computed on the basis of a 365-day year for the number of days actually elapsed, at the annual interest rates as provided below, subject to prior redemption, and are issuable in Authorized Denominations only.

MATURITY SCHEDULE

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 2024	Lesser of \$6,950,000 or Cumulative Outstanding Balance	%
November 1, 2042	\$,4,050,000	_____%

(c) Each Bond bears interest until paid from the Interest Payment Date next preceding the date of registration unless it is registered after the Record Date next preceding any Interest Payment Date, inclusive, in which event it shall bear interest from the Interest Payment Date, or unless it is registered before the Record Date immediately preceding the first Interest Payment Date, in which event it shall bear interest from the Issue Date; provided, however, that if, at the time of registration of any Bond, interest is in default on Outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds, or, if applicable, from the Issue Date.

(d) Payment of principal and interest shall be made by check or draft in lawful money of the United States. Principal of and premium on the Bonds shall be paid only upon presentation and surrender thereof for cancellation at the Payment Office of the Trustee. Payment of the interest on any Bond shall be made to the person whose name appears on the Bond Register as the registered owner thereof as of the close of business of the Record Date next preceding an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check or draft mailed to such registered owner at its address as it appears on the Bond Register. Notwithstanding the foregoing, the principal and the interest on, the Cumulative Outstanding Balance of the Bonds is payable by electronic transfer in immediately available federal funds pursuant to the written instructions from the Sole Bondowner. The electronic transfer instructions must describe the name, address and ABA routing number of the bank (located in the continental United States) and the account number and acknowledge a wire transfer fee payable by the Owner.

- (e) The Bonds are subject to redemption as provided in Article III.

Section 202. Limited Obligations.

(a) The Bonds, together with interest thereon, are not general obligations of the Issuer and do not constitute an obligation, either general or special, of the State or any political subdivision thereof, but are limited obligations payable solely and only from amounts, moneys and securities held from time to time by the Trustee as part of the Trust Estate. Such moneys are hereby pledged and assigned as security for the equal and ratable payment of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture. The Bonds are not a debt of the City, the State or any political subdivision thereof and none of the City, the State or any political subdivision thereof are liable thereon. The Bonds are not an indebtedness of the City, the State or any political subdivision thereof within the meaning of any constitutional, statutory or charter debt limitation or restriction and are not payable in any manner by taxation. The Issuer has no taxing power.

(b) No recourse shall be had for the payment of the principal of or interest on, any of the Bonds or for any claim based thereon or upon any obligation, provision, covenant or agreement contained in this Indenture against any past, present or future member, officer, official, employee or agent of the Issuer, or any member, director, trustee, officer, official, employee or agent 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 director, trustee, officer, official, employee or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of any of the Bonds. Neither the officers of the Issuer nor any person executing the Bonds shall be personally liable on the Bonds by reason of the issuance thereof.

Section 203. Execution.

(a) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Executive Director, Chair or Vice Chair, attested by the manual or facsimile signature of its Secretary or Assistant Secretary under the official seal, or a facsimile thereof, of the Issuer. Facsimile signatures shall have the same force and effect as if said officers had manually signed the Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds.

(b) In case any officer whose signature or facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of any Bonds issued under this Indenture, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery. Any Bond may be signed and sealed on behalf of the Issuer by such persons as, at the actual time of the execution of such Bond, shall be duly authorized or hold the proper office in or employment by the Issuer, although at the date of the Bonds such persons may not have been so authorized nor have held such office or employment.

Section 204. Authentication. Only Bonds that have endorsed thereon a certificate of authentication and registration substantially in the forms set forth in **Exhibit A** duly executed

by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond will be valid or obligatory for any purpose unless and until the certificate of authentication and registration has been duly executed by the Trustee; and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication and registration on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication and registration on all Bonds.

Section 205. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Issuer will execute and the Trustee will authenticate and deliver a new Bond in lieu of such mutilated, lost, stolen or destroyed Bond, of like date, number, maturity and denomination as that mutilated, lost, stolen or destroyed, if the provisions of this Section are satisfied. Any mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to it together with indemnity satisfactory to it. In the event any such Bond shall have matured, instead of issuing a duplicate Bond the Trustee may pay the same without surrender thereof. The Trustee may charge the holder or owner of such Bond with its reasonable fees and expenses.

Section 206. Transfer and Exchange of Bonds; Persons Treated as Owners.

(a) The Trustee is appointed Bond Registrar and as Bond Registrar shall keep the Bond Register at its Payment Office.

(b) The Bondholders shall not be entitled to request any transfer of any Bonds hereunder owned by it that are unrated or rated less than "A" or its equivalent by a Rating Agency, unless the transfer is made in compliance with **Section 207**.

(c) Any Bond may be transferred only upon the Bond Register upon surrender of the Bond to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or such Owner's attorney or legal representative in a form that is satisfactory to the Trustee. Upon any such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any Authorized Denomination.

(d) Any Bonds, upon surrender thereof at the payment office of the Trustee, together with an assignment duly executed by the Owner or the Owner's attorney or legal representative in form satisfactory to the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of the Bonds, of any Authorized Denomination, in the Cumulative Outstanding Balance of the surrendered Bond.

(e) In all cases in which Bonds are exchanged or transferred, the Issuer will execute and the Trustee will authenticate and deliver at the earliest practicable time Bonds in accordance with the provisions of this Indenture. The Trustee will cancel all Bonds surrendered in any such exchange or transfer.

(f) The Issuer or the Trustee may make a charge against each Bondowner requesting a transfer or exchange of Bonds for every such transfer or exchange of Bonds sufficient to reimburse

it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, the cost of printing, if any, each new Bond issued upon any transfer or exchange and the reasonable expenses of the Issuer and the Trustee in connection therewith, and such charge shall be paid before any such new Bond shall be delivered.

(g) At reasonable times and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Borrower, the Issuer or by the Owners (or a designated representative thereof) of 10% or more in aggregate principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(h) The person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute Owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered Owner thereof or such Owner's attorney or legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(i) The Issuer or the Trustee may impose a charge against an owner for the reimbursement of any governmental charge required to be paid in the event that the Owner fails to provide a correct taxpayer identification number to the Trustee. The Trustee may deduct this amount from amounts otherwise payable to such Owner hereunder or under the Bonds.

Section 207. Limitation on Transfer and Exchange. Unless compliance with this Section is not required pursuant to the terms of **Section 206(b)**, all sales and transfers of the Bonds after the initial sale and delivery of the Bonds may be made by any Owner, in whole or in part, only to an Approved Investor. In connection with any transfer or exchange of any Bonds an Owner's prospective transferee must deliver to the Trustee an Investor Letter. The Trustee shall be entitled to rely, without any further inquiry, on the Investor Letter delivered to it and shall be fully protected in registering any transfer or exchange of any Bonds in reliance on the Investor Letter that appears on its face to be correct and of which the Trustee has no actual knowledge otherwise. For purposes of this Section, "actual knowledge" means the fact of knowledge without any duty to investigate. ANY OWNER DESIRING TO AFFECT A TRANSFER SHALL AGREE TO INDEMNIFY THE ISSUER AND THE TRUSTEE FROM AND AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS' FEES AND EXPENSES) THAT MAY RESULT IF THE REPRESENTATIONS OF SUCH OWNER CONTAINED IN THE INVESTOR LETTER ARE FALSE IN ANY MATERIAL RESPECT. THE TRUSTEE IS AUTHORIZED AND DIRECTED TO PUT A STOP ORDER ON THE BOND REGISTER IN REGARD TO THE FOREGOING RESTRICTIONS ON THE TRANSFER OF THE BONDS. No Owner shall request the Trustee authenticate or register a Bond unless the conditions of this Section have been satisfied.

Section 208. Delivery of Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer will execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to, or upon the order of, the original purchaser upon receipt by the Trustee of the following:

(i) a certified copy of the resolution of the Issuer authorizing the execution and delivery of this Indenture, the Loan Agreement, the Land Use Restriction Agreement and the Tax Agreement and the issuance, sale and delivery of the Bonds;

(ii) an opinion of Bond Counsel to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, and that the interest payable on the Bonds is excludable from gross income for federal and State income tax purposes except with respect to the interest on any Bond for any period during which such Bond is held by a “substantial user” of the Project or a “related person,” as those terms are defined for purposes of Section 147(a) of the Code;

(iii) an Opinion of Counsel for the Borrower, to the effect the Borrower is duly organized and validly existing and in good standing under the laws of the state in which it has been organized and in good standing under the laws of each other state in which the Borrower transacts business and has full power and authority to enter into the agreements described herein to which it is a party, that its execution and delivery of and performance of its covenants in such agreements do not contravene law or any provision of any other agreement to which it is a party or by which it or such property is bound or affected, and that all such agreements are legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their respective terms;

(iv) a request and authorization to the Trustee on behalf of the Issuer, signed by an Authorized Issuer Representative, to authenticate and deliver the Bonds to, or upon the order of, the original purchaser upon payment to the Trustee, for the account of the Issuer, of the purchase price thereof;

(v) an executed original counterpart of this Indenture, the Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and each Security Document;

(vi) net proceeds from the sale of the Bonds from the Sole Bondowner;

(vii) the Borrower’s contribution in the amount set forth in **Section 402(b)**, which will be deemed received if held by the Title Company and the Title Company confirms it has received instructions from the Borrower to transfer the moneys to the Trustee upon recordation of the Deed of Trust;

(viii) an Opinion of Bond Counsel to the effect that the Bonds are exempt from registration under the Securities Act of 1933, as amended, and this Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and

(ix) other certificates, statements, receipts, opinions and documents as the Trustee reasonably requires for the delivery of the Bonds.

(b) When the documents mentioned in subsection (a) of this Section have been filed with the Trustee, and when the Bonds have been executed, authenticated and registered as required by this Indenture, the Trustee shall deliver the Bonds to or upon the order of the Purchaser thereof upon payment to the Trustee of the purchase price of the Bonds for deposit and application as provided in Article IV.

ARTICLE III.
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 301. Redemption of Bonds Prior to Maturity.

(a) **Redemption Upon Casualty or Condemnation.** The Bonds are subject to mandatory redemption in whole or in part, if the net proceeds of any casualty insurance or condemnation award are applied to the prepayment of the Loan as provided in **Section 507**, in an amount (rounded to the nearest Authorized Denomination) equal to the amount of such prepayment of the Loan, on the earliest practicable date for which notice can be given pursuant to **Section 303**, at a redemption price equal to 100% of the principal amount redeemed, without premium, plus accrued interest thereon to the date fixed for redemption.

(b) **Optional and Extraordinary Redemption.** The Bonds are subject to redemption at the written direction of the Borrower, in whole or in part on any date, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the date fixed for redemption.

(c) **Mandatory Redemption on Conversion Date.** The Bonds are subject to mandatory redemption in part, at a redemption price equal to 100% of the principal amount redeemed, without premium, plus accrued interest thereon to the date fixed for redemption, on the earliest practicable date after the Conversion Date for which notice can be given pursuant to **Section 303**, to the extent that the Cumulative Outstanding Balance exceeds \$4,050,000 on the Conversion Date and in the amount equal to the portion of the Cumulative Outstanding Balance in excess of \$4,050,000.

(d) **Mandatory Redemption Upon Determination of Taxability.** The Bonds are subject to mandatory redemption in whole at a redemption price equal to 100% of the principal amount redeemed, without premium, plus accrued interest to the date fixed for redemption, on the earliest practicable date for which notice can be given pursuant to **Section 303**, if a Determination of Taxability occurs.

(e) **Mandatory Sinking Fund Redemption After Conversion Date.** After the Conversion Date, the Cumulative Outstanding Balance of the Bonds shall be subject to mandatory sinking fund redemption without premium, on the dates and in the principal amounts, plus accrued interest as set forth in Exhibit E attached to this Indenture. To the extent the Bonds have been previously called for redemption or purchased and retired otherwise than pursuant to the respective installments of Section 301(c) or this Section 301(e), the mandatory sinking fund schedule set forth on Exhibit E shall be revised to provide for level debt service on the remaining outstanding principal amount of the Bonds over the remaining terms of the Bonds starting on the first Interest Payment Date following the Conversion Date. The Sole Bondowner shall provide the Trustee with a new Exhibit E reflecting the revised mandatory sinking fund schedule. Absent manifest error, the revised Exhibit E shall be conclusive and binding on the Issuer, the Trustee, the Borrower and the Sole Bondowner.

Section 302. Selection of Bonds for Partial Redemption. If less than all the Bonds then Outstanding shall be called for redemption pursuant this Article, the Trustee will select the Bonds, or portions thereof, to be redeemed from each maturity by lot, in such manner as it shall in

its discretion determine. No Bond will be selected for redemption if, upon redemption, the remaining principal amount of the Bond would not be an Authorized Denomination.

Section 303. Notice of Redemption.

(a) Except for the redemption of the Bonds in accordance with Section 301 (c) and (e) for which no notice is required, if the Borrower provides written notice of the intended redemption to the Trustee not less than ten (10) business days prior to the date fixed for redemption, notice of the intended redemption of Bonds shall be given by the Trustee not less than five days prior to the date fixed for redemption by telephone, telex, telecopier or other electronic means, promptly confirmed in writing, at the address of each Owner shown on the Bond Register; stating:

- (i) the complete official caption, of the issue of Bonds being redeemed are a part;
- (ii) the date of mailing of the notice of redemption;
- (iii) the date fixed for redemption;
- (iv) the redemption price or prices;
- (v) with respect to the redemption of the Bonds in part, the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption);
- (vi) the CUSIP numbers, if any, of all Bonds being redeemed (provided that such notice may contain a disclaimer as to the accuracy of the CUSIP numbers);
- (vii) in the case of a partial redemption of Bonds, the principal amount and maturity date of each Bond being redeemed;
- (viii) the date of issue of the Bonds as originally issued;
- (ix) the rate or rates of interest borne by each Bond being redeemed and the amount of accrued and unpaid interest to the redemption date;
- (x) the maturity date of each Bond being redeemed;
- (xi) the place or places (that is the Payment Office of the Trustee) where amounts due upon such redemption will be payable;
- (xii) the notice shall be void and of no effect if the Trustee does not have sufficient money to pay the redemption price of the Bonds on the redemption date;
- (xiii) the conditions, if any, which must be satisfied in order for the redemption to take place on the schedule date of redemption;

(xiv) that further interest on such Bond will not accrue from and after the redemption date provided the Trustee has on deposit sufficient funds to redeem the Bonds on such date; and

(xv) any other descriptive information needed to identify accurately the Bonds being redeemed.

(b) In addition to providing notice of redemption as set forth above, the Trustee shall send a second notice of redemption within 60 days following the redemption date, by certified mail, to the Owners of any Bonds called for redemption, at their addresses appearing on the Bond Register, who have not surrendered their Bonds for redemption within 30 days following the redemption date.

(c) Receipt of notice of redemption shall not be a condition precedent to such redemption, and failure so to notify any of such Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

(d) Notice of redemption having been given in the manner provided above, and money sufficient for the redemption being held by the Trustee or Paying Agent for that purpose, thereupon the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue; and the owners of the Bonds so called for redemption shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price for such Bonds.

Section 304. Cancellation. All Bonds, which have been redeemed, will be marked as cancelled and periodically destroyed by the Trustee in accordance with applicable retention requirements and will not be reissued. At the written request of the Issuer a counterpart of the certificate of destruction evidencing destruction will be furnished by the Trustee to the Issuer.

ARTICLE IV. FUNDS AND INVESTMENTS

Section 401. Establishment of Funds. The following funds and accounts (the “Funds and Accounts”) shall be established, held and maintained by the Trustee under this Indenture for the benefit of the owners of the Bonds:

- (a) Project Fund;
- (b) Bond Fund;
- (c) Expense Fund;
- (d) Costs of Issuance Fund;
- (e) Rebate Fund;
- (f) Revenue Fund; and
- (g) Retained Earnings Fund.

Section 402. Initial Application of Proceeds and Other Moneys.

On the Issue Date, the Trustee will deposit the initial installment of the proceeds of the Bonds in the amount of \$_____, which is an amount in excess of 5% of the not to exceed aggregate principal amount of the Bonds, as follows:

\$_____ into the Costs of Issuance Fund, and

\$_____ into the Project Fund.

Moneys held by the Title Company with irrevocable written instructions from the Borrower to transfer that amount to the Trustee will be deemed received by the Trustee for purposes of this paragraph.

Section 403. Project Fund.

(a) The Trustee will deposit the amounts required by **Section 402** and any Additional Charges into the Project Fund. Upon approval by the Sole Bondowner of a Disbursement Request signed by the Borrower, the Sole Owner will cause the amounts requested to be transferred (1) to the Trustee together with direction to deposit such funds in the Project Fund and the Trustee shall deposit such amount to the Project Fund or (2) to the Disbursing Agent to be administered and disbursed pursuant to the Disbursing Agreement with a copy of such Requisition being sent to the Trustee together this written confirmation that the Cumulative Outstanding Principal Amount of the Bond should be updated to reflect the amount .

(b) Except as otherwise provided in this Section, moneys in the Project Fund shall be disbursed for the payment of Project Costs. Moneys in the Project Fund shall be disbursed pursuant to Section 403(a) in accordance with the Continuing Covenants Agreement, the Loan Agreement and the Escrow and Disbursing Agreement, pursuant to a Requisition approved by the Sole Bondowner, in substantially the form of **Exhibit C**. Notwithstanding the foregoing, the Trustee shall not make any disbursement from the Project Fund in any amount if an Event of Default specified in **Section 601** has occurred and is continuing of which the Trustee has received written notice unless the Trustee has received the written consent of the Sole Bondowner. If an Event of Default has occurred and is continuing under this Indenture of which the Trustee has received written notice, the Trustee will apply moneys on deposit in the Project Fund in accordance with Article VI.

(c) In making payments pursuant to this Section, the Trustee may rely upon such written Disbursement Requests signed by the Borrower in the form of Exhibit C and approved in writing by the Sole Bondowner, and shall not be required to make any independent investigation in connection therewith. If for any reason the Borrower should decide prior to the mailing or release of payment by the Trustee of any item not to pay such item, it shall give written notice of such decision to the Trustee and upon receipt thereof, if the Trustee has not released such payment, the Trustee shall cancel the request and not make such payment. If the Issuer so requests in writing, a copy of each written Disbursement Request submitted to the Trustee for payment under this Section shall be promptly provided by the Trustee to the Issuer. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and shall file periodic statements of activity regarding the Project Fund with the Borrower.

(d) The Borrower, upon completion of the Project, shall deliver to the Trustee, the Issuer, and the Sole Bondowner within 45 days thereafter a certificate (the “**Borrower’s Completion Certificate**”) signed by the Authorized Borrower Representative in substantially the form attached as Schedule 5 to the Continuing Covenants Agreement:

(i) stating that the Project has been completed substantially in accordance with the Redevelopment Contract and the approved plans and specifications for the Project, as then amended, and the date of completion of the Project; and

(ii) stating that such person has made such investigation of such sources of information as are deemed by such person to be necessary, including pertinent records of the Borrower, and is of the opinion that the Costs of the Project have been fully paid for and no claim or claims exist against the Issuer or the Borrower or against the Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Borrower intends to contest such claim or claims in accordance with the Loan Agreement, in which event such claim or claims shall be described; provided, further, that it shall be stated that moneys are on deposit in the Project Fund or are available through enumerated bank loans (including letters of credit) or other sources sufficient to make payment of the full amount which might in any event be payable in order to satisfy such claim or claims; and

(iii) stating if any item was added to, deleted from or substituted for the Project as described herein and in the Loan Agreement and providing any documentation, certificates or opinions required by Section 3.04 of the Loan Agreement; and

(iv) attaching a copy of the certificate of occupancy issued with respect to the Project.

(e) If an Event of Default specified in **Section 601** has occurred and is continuing and the Bonds have been declared due and payable pursuant to **Section 602**, any balance remaining in the Project Fund will be applied in accordance with **Section 606** with advice to the Borrower and the Issuer of such action.

(f) If an amount is deposited to the Project Fund in accordance with **Section 507**, the Trustee will create a special account to be known as the “Casualty/Condemnation Account” within the Project Fund, into which that amount will be deposited.

(i) Moneys in the Casualty/Condemnation Account are to be applied to the costs of repairing or replacing the Project in accordance with the following procedures:

(A) the Borrower must deliver to the Trustee and Sole Bondowner, within 60 days after the date of casualty or condemnation (provided the Trustee shall have no obligation to review),

(I) a written opinion (of an architect, engineer or firm of architects or engineers who is not a full-time employee of the Issuer or the Borrower, has at least five years’ experience in its field and is licensed to operate in the State, a “**Project Engineer**”), based upon plans, specifications

and cost estimates provided to the Project Engineer by the Borrower, that the Project can be restored within a period of 365 days after the date of casualty or condemnation to its condition immediately prior to such casualty, or in the case of condemnation, to a condition suitable for the continued operation of the remaining portion of the Project, prior to expiration of the rental loss or business interruption insurance, and

(II) a contract between the Borrower and a general contractor, whereby the general contractor agrees to restore the Project for a fixed price (the “**Construction Contract**”);

(B) the Borrower must provide to the Sole Bondowner a construction statement itemizing the full cost of the repair or restoration and the time schedule for completion, sworn to by the Borrower, or the general contractor (the “**Construction Statement**”) unless an itemized list of the full cost of repair and restoration and the time schedule is set forth in the Construction Contract;

(C) the Borrower must provide to the Sole Bondowner a report of the Project Engineer required in this subsection, confirming the moneys in the Casualty/Condemnation Account are sufficient to complete such repair or restoration, or, if not, identifying additional amounts necessary and the Borrower must deliver to the Trustee for deposit in the Casualty/ Condemnation Account such additional amount prior to commencing repair or restoration;

(D) the Trustee will disburse from the Casualty/Condemnation Account an amount requested in a Disbursement Request for the payment of the costs of repair or restoration of the Project in accordance with the Loan Agreement after receipt by the Trustee of properly completed written disbursement requests of the Borrower, approved in writing by the Sole Bondowner, in substantially the form of **Exhibit C**.

The Trustee will be fully protected and incur no liability in relying upon all statements made by the Borrower in the disbursement requests.

(ii) The Trustee shall not honor any Disbursement Request if an Event of Default under this Indenture of which the Trustee has actual knowledge has occurred and is continuing unless otherwise directed in writing by the Sole Bondowner. All Disbursement Requests and all other statements, orders, certifications and approvals received by the Trustee, as required by this subsection as conditions of payment from the Casualty/Condemnation Account, may be conclusively relied upon by the Trustee, and will be retained by the Trustee, subject at all reasonable times to examination by the Borrower, the Issuer, and their agents and representatives.

(iii) If the Sole Owner or Borrower notifies the Trustee and the Issuer in writing that the Borrower did not complete the repair or replacement of the Project in accordance with the Construction Statement or as set forth in the Construction Contract as provided in this subsection, the Trustee will, after 30 days’ written notice from the Trustee to the Borrower of such failure and continuance of such failure at the end of such period, disburse

moneys in the Casualty/Condemnation Account: first to pay Additional Charges owing, and second to redeem Bonds pursuant to **Section 507** and **Section 301(a)**, to pay the principal of and interest on the Bonds upon the acceleration of the maturity thereof or when otherwise due, and to pay Additional Charges unless otherwise directed in writing by the Sole Bondowner. Notwithstanding the foregoing, nothing herein shall obligate the Trustee to determine if the Borrower has completed the repair or replacement of the Project in accordance with the Construction Statement or as set forth in the Construction Contract.

(iv) Upon the completion of the repair or replacement of the Project and the delivery by the Borrower of a certificate signed by the Borrower and approved by the Sole Bondowner confirming such completion, accumulated retainage will be disbursed to or on the written order of the Borrower and the balance in the Casualty/Condemnation Account will be first, applied to any Additional Charges, unless directed in writing by the Borrower to be applied to the redemption of Bonds pursuant to **Section 507** and **Section 301(a)**.

Section 404. Bond Fund.

(a) The Trustee will deposit in the Bond Fund the amounts required by **Section 402**, the Rental Payments and all amounts required to be transferred to the Bond Fund from the Project Fund. In addition, the Trustee will deposit all other amounts in the Bond Fund that by this Indenture, the Loan Agreement, or the Security Documents are to be deposited to the Bond Fund, including but not limited to the amount of any capital contribution from the Limited Partner and the State Limited Partner required to be deposited in the Bond Fund pursuant to Section 4.02 of the Loan Agreement.

(b) All amounts in the Bond Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest on the Bonds when due and payable, whether by scheduled maturity or by earlier redemption of the Bonds, except as provided in **Section 417**.

Section 405. [Reserved]

Section 406. Expense Fund. The Trustee will deposit in the Expense Fund the moneys received from the Borrower as Additional Charges pursuant to Section 4.03(b) and (c) of the Loan Agreement. Moneys on deposit in the Expense Fund shall be applied by the Trustee, to the payment of the Ordinary Trustee's Fees, the Extraordinary Fees and Expenses (with notice to the Borrower if no event of default has occurred under this Indenture or the Loan Agreement), and to the payment of reasonable expenses incurred by the Issuer in relation to the Project that are required to be paid under the Redevelopment Contract, including, without limitation, the \$1,500 Annual Administrative Fee of the Authority under the Funding Agreement (as defined in the Redevelopment Contract) pursuant to Section 4.03(c) of the Loan Agreement, and upon receipt of a written request of the Issuer for the payment of other the fees and expenses of the Issuer (pursuant to Section 4.03(c) of the Loan Agreement), including, without limitation, fees and expenses due to the Issuer under the Tax Agreement including the fees and expenses of the Rebate Analyst

Section 407. Costs of Issuance Fund

The Trustee will deposit into the Costs of Issuance Fund the amounts required by **Section 402**. Moneys in the Costs of Issuance Fund shall be disbursed from time to time for the payment

of the costs of issuing the Bonds upon the direction of the Borrower as evidenced by a Disbursement Request, in substantially the form of **Exhibit B**, executed by an Authorized Borrower Representative and approved by the Sole Bondowner. Moneys in the Costs of Issuance Fund must be expended no later than 90 days after the Issue Date. Any moneys remaining in the Costs of Issuance Fund, including investment earnings thereon, on that date will be transferred to the Bond Fund and the Costs of Issuance Fund will be closed.

Section 408. Revenue Fund.

(a) Upon a Loan Agreement Payment Default and the Trustee's receipt of the written direction from the Sole Bondowner that the provisions of this Section and **Section 409** are to be implemented, the Trustee will cause all Gross Revenues paid by the Borrower to the Trustee pursuant to Section 4.07 of the Loan Agreement and any other amounts available therefor and designated by the Issuer or the Borrower to be deposited in the Revenue Fund. Once initiated, the provisions of this Section will remain in effect until the Sole Bondowner notifies the Trustee in writing to terminate the provisions of this Section. At that time of termination, the balance in the Revenue Fund will be applied as the Borrower directs the Trustee in writing, with the written consent of the Sole Bondowner, or by the Sole Bondowner.

(b) After disbursing funds requisitioned pursuant to Section 4.07 of the Loan Agreement to the Borrower [on the 20th calendar day of each month (or if such date is not a Business day, the next Business Day thereafter), the Trustee will disburse amounts from the Revenue Fund in the following order of priority:

FIRST: on the 25th day of each month, for deposit in the Bond Fund, an amount (less any investment earnings credit pursuant to **Section 413(c)** and amounts deposited to the Bond Fund pursuant to **Section 404**) equal to (i) the interest due on the Bonds on the next Interest Payment Date, plus (ii) amounts previously due under clause (i) that were not transferred because of insufficient moneys;

SECOND: on the 25th day of each month, for deposit in the Bond Fund, an amount equal to (i) the principal due on the Bonds on the next Interest Payment Date, plus (ii) amounts previously due under clause (i) that were not transferred because of insufficient moneys;

THIRD: on the dates required pursuant to the Tax Agreement, the amounts required to be deposited in the Rebate Fund;

FOURTH: on the 25th day of each month, to the Expense Fund (i) an amount equal to one-sixth of the Ordinary Trustee's Fees, plus (ii) the Extraordinary Fees and Expenses, plus (iii) amounts previously due under clauses (i) and (ii) of this paragraph that were not transferred because of insufficient moneys;

FIFTH: on June 15 of each year, commencing June 15, 2027, and continuing until the full amount due on the Bonds is paid, to the Rebate Analyst the amount, the Borrower notifies the Trustee in writing is, if any, due for the calculation of arbitrage rebate; and

SIXTH: on the 25th day of each month, to the Retained Earnings Fund, any amount remaining in the Revenue Fund.

Section 409. Retained Earnings Fund.

(a) Upon a Loan Agreement Payment Default and the Trustee's receipt of the written direction from the Sole Bondowner that the provisions of this Section and **Section 408** are to be implemented, the Trustee will implement this Section. Once initiated, the provisions of this Section will remain in effect until the Sole Bondowner notifies the Trustee in writing to terminate the provisions of this Section. At that time the balance in the Retained Earnings Fund will be applied as the Borrower directs the Trustee in writing, with the written consent of the Sole Bondowner, or as the Sole Bondowner directs the Trustee in writing.

(b) The Trustee will deposit to the Retained Earnings Fund the amounts as provided in **Section 408** and any other amount received from any other source with written directions that the amount is to be deposited in the Retained Earnings Fund.

(c) If moneys in the Revenue Fund are insufficient to make the transfers required by **Section 408(b)**, the Trustee will apply the amount in the Retained Earnings Fund in the amounts as provided in **Section 408(b)**.

(d) The Trustee, after making the transfers described in subsection (c) and subject to subsection (e), will transfer the remaining balance in the Retained Earnings Fund as provided in this subsection. At the written request of the Borrower, the Trustee will transfer the amount on deposit in the Retained Earnings Fund in excess of the sum of \$10,000 and the next Loan Payment, to the Borrower. The Borrower's request may only be given once each Fiscal Year within 60 days after the Trustee's receipt of the financial statements required by Section 9.06 of the Loan Agreement and the written certification of the Borrower that the Debt Service Coverage Requirement has been met for that Fiscal Year. The Trustee will provide written notice to the Sole Bondowner of the amount of any transfer from the Retained Earnings Fund.

Section 410. Rebate Fund.

(a) The Trustee will deposit in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Agreement. Subject to the payment provisions provided in subsection (b) below, all amounts on deposit at any time in the Rebate Fund will be held by the Trustee in trust, to the extent required to pay arbitrage rebate to the United States of America, and the Issuer, the Borrower and the Bondowner shall not have any rights in or claim to such moneys. The Borrower shall engage the Rebate Analyst to make the calculations required by the Tax Agreement.

(b) Pursuant to the Tax Agreement, the Trustee will remit all arbitrage rebate and a final rebate payment to the United States of America in accordance with the written direction of the Borrower or the Rebate Analyst engaged by the Borrower. The Trustee has no obligation to rebate any amounts required to be rebated pursuant to this Section and the Tax Agreement, other than from moneys held in the Funds and Accounts created under this Indenture or from other moneys provided to the Trustee by the Borrower.

(c) Notwithstanding any other provision of this Indenture, including in particular Article IX, the obligation to pay the arbitrage rebate to the United States of America and to comply with all other requirements of this Section and the Tax Agreement shall survive the defeasance or payment in full of the Bonds.

(d) Upon the payment of all arbitrage rebate to the United States of America under the Tax Agreement, all moneys remaining in the Rebate Fund will be remitted to the Borrower.

Section 411. Custody of Funds and Accounts; Moneys Held in Trust. The Trustee will hold the Funds and Accounts created under this Indenture in trust for the benefit of the Bondowner. The Issuer hereby authorizes and directs the Trustee to withdraw moneys from said Funds for the purposes specified herein, which authorization and direction the Trustee hereby accepts.

Section 412. Nonpresentment of Bonds. In the event any Bonds are not presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if funds sufficient to pay such Bonds have been made available to the Trustee for the benefit of the owner thereof, it shall be the duty of the Trustee to hold such funds for the Bondowner without liability for interest. If such funds shall have remained unclaimed for four years after such principal or interest has become due and payable, such funds shall be paid to the Borrower without liability for interest on the funds, provided all amounts owed to Trustee hereunder shall have been paid. All liability of the Trustee to the owner for the payment of such Bond will forthwith cease, determine and be completely discharged. The obligations of the Trustee under this Section to pay any such funds to the Borrower shall be subject to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property. Any moneys received by the Borrower will not be held in trust for the benefit of the Bondowner. The Borrower is not liable for interest on the Bonds from the due date if funds sufficient to pay such Bonds have been made available to the Trustee for the benefit of the owner thereof.

Section 413. Investment of Funds.

(a) Any moneys held by the Trustee as part of any fund created by this Article shall be invested or reinvested, from time to time, by the Trustee in Qualified Investments at the written direction of the Borrower. Qualified Investments will mature or be redeemable at the option of the holder thereof on the earlier of six months after acquisition or when needed for the purposes of this Indenture, including pursuant to the redemption provisions of Article III except that moneys in the Project Fund shall be redeemable without penalty at the option of the Trustee immediately. The Qualified Investments will be held by the Trustee and shall be deemed at all times to be a part of the Fund in which such moneys were held; provided that, for the purpose of investment, moneys held in any of the Funds established under this Indenture may be commingled. In the absence of written investment direction from the Borrower, the Trustee shall hold all moneys invested in a money market fund permitted by clause (d) of the definition of Qualified Investments.

(b) The Trustee will apply all interest, profits or other income derived from the investment of any Fund or Account created by this Article (other than the Rebate Fund and the Bond Fund) in which all interest or income will be retained in the following order:

(i) to pay the principal of and interest on the Bonds if the amount on deposit in the Bond Fund is not sufficient,

(ii) promptly after each Interest Payment Date,

(A) to make up any shortfall in an Additional Charge required to be made during the one-month period ending on the Interest Payment Date, in the following order of priority (by reference to subparagraphs of Section 4.03 of the Loan Agreement): (a), (b), (c), (d), and (e) all costs and expenses incurred in connection with the Bonds (the “*Additional Charges*”), and

(B) to deposit the balance to the Bond Fund as a credit against the next Basic Payment.

(c) The Trustee will give written notice to the Borrower on or before the first day of each month of the amount to be applied as a credit against the Rental Payments due on the following Interest Payment Date. The Trustee shall not be liable for any losses resulting from any such investments consistent with this Section. The Trustee may make investments through its own investment department or through any affiliate of the Trustee.

(d) The Trustee is directed to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any Fund shall be insufficient to cover a proper disbursement from any Fund. The Trustee shall not be liable for any losses resulting from any such investments consistent with this Section. The Trustee may make investments through its own investment department or through any affiliate of the Trustee.

(e) Although the Issuer and the Borrower each recognize that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Borrower hereby agree that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 414. Final Balances. Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer under this Indenture, including all fees, charges and expenses of the Trustee and the Issuer which are properly due and payable under this Indenture, or upon the making of adequate provisions for the payment of such amounts as permitted hereby, all moneys remaining in all Funds and Accounts, *except* moneys held in the Rebate Fund under **Section 410** and in the Bond Fund under **Section 404**, will be remitted to the Borrower.

ARTICLE V. GENERAL COVENANTS AND REPRESENTATIONS

Section 501. Payment of Principal and Interest. The Issuer covenants and agrees that the Trustee is authorized to pay, solely from the Trust Estate, the principal of and interest on, the Bonds at the place, on the dates and in the manner provided in this Indenture and in the Bonds.

Section 502. Instruments of Further Assurance.

(a) The Issuer, at the written request of the Trustee or the Sole Bondowner and at the sole expense of the Borrower, will do, execute, acknowledge and deliver or cause to be delivered or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular its interest in the Trust Estate and the revenues, receipts and other amounts pledged by this Indenture to the payment of the principal of, premium, if any, and interest on the Bonds. Any and all interest in the Trust Estate hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Trust Estate or the revenues and receipts thereof. The Issuer will not incur any additional indebtedness that is senior to or on parity with the Trust Estate.

(b) The Trustee will, at the written request of the Sole Bondowner and subject to its receipt of indemnity satisfactory to it, defend its title to the Trust Estate for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever and the Issuer shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, any supplemental indentures, and any further acts, instruments and transfers as the Trustee may reasonably require for the better assurance, transfer, conveyance, pledge, assignment and confirmation to the Trustee of its interest in the Trust Estate. This covenant will not result in the Issuer incurring any cost. Any and all interest in property acquired after the Issue Date which is of any kind or nature to become subject to the lien of this Indenture will, without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become subject to the lien of this Indenture as fully and completely as though specifically described in this Indenture, but nothing contained in this sentence will be deemed to modify or change the obligations of the Issuer under this Section.

Section 503. Inspection of Project Books. The Issuer will open its books and documents relating to the financing of the Project, the Trust Estate and the Bonds, at all reasonable times, to inspection by any accountants or other agents as the Trustee, the Issuer and the Borrower may from time to time reasonably designate. The Trustee will open its books and documents relating to the financing of the Project and the Bonds at all reasonable times to inspection by the Issuer, the Borrower, the Sole Bondowner or accountants or agents as the Issuer, the Borrower or the Sole Bondowner may from time to time reasonably designate.

Section 504. Recordation and Filing. The Trustee will cause continuations of any financing statements initially filed with respect to the Trust Estate, copies of which original filings have been timely provided to the Trustee, to be at all times filed in such manner and in such places as may be required by law in order to fully preserve and protect the rights of the Trustee under this Indenture and to perfect the security interest created by this Indenture in the Trust Estate described herein. In no event shall the Trustee be required to file any initial financing statement and unless

otherwise notified in writing by the Borrower or Issuer, the Trustee may conclusively rely upon the originally filed financing statements in filing any continuation statements hereunder. The Trustee will be entitled to protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee therein and all rights of the Trustee under this Indenture against all actions, proceedings, claims and demands of all persons. Any fees and expenses incurred by the Trustee pursuant to this Section will be paid by the Borrower and will constitute Extraordinary Fees and Expenses of the Trustee.

Section 505. No Modification of Security. The Issuer will not, except as permitted by the Deed of Trust or the Lease, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement to which the Issuer is a party or assignee that relates to or affects the security for the Bonds.

Section 506. Existence and Authority. The Issuer has all necessary power and authority to execute and deliver this Indenture, to execute, deliver and issue the Bonds and to perform its duties and discharge its obligations under this Indenture and the Bonds. So long as any of the Bonds shall be Outstanding the Issuer shall do or cause to be done all things necessary to preserve and keep in full force and effect its existence and to maintain its status as a government instrumentality of the State. The Issuer has not otherwise pledged the revenues and assets pledged under this Indenture for the payment of the Bonds. The Trustee shall at all times, to the extent permitted by law, be entitled to defend and protect the pledge created under this Indenture against any and all claims whatsoever.

Section 507. Casualty or Condemnation.

(a) If the Project, or any part thereof, is damaged or destroyed as a result of fire or other casualty, or the Project, or any part thereof, shall be condemned or acquired for public use, and the amount of such loss is greater than \$100,000 per occurrence or \$200,000 aggregate per calendar year, the Trustee shall re-open the Project Fund and deposit any insurance proceeds or condemnation award to the Project Fund.

(b) Within 30 days after receiving actual notice of such damage, destruction or condemnation, the Borrower, by written notice to the Trustee, the Issuer and the Sole Bondowner will select one of the following two courses of action:

(i) . If the Borrower determines the requirements of Section 403(f) hereof are satisfied, the Borrower may repair and restore the Project. Moneys in the Project Fund will be disbursed, upon the Trustee's receipt of a Disbursement Request, to the payment or the reimbursement of the costs of such repair or restoration. If the Borrower fails to pay for the repair and restoration of the Project by the date designated in writing to the Trustee by the Sole Bondowner as the date upon which the repairs are required to be completed, the Trustee, at the written direction of the Sole Bondowner, shall apply moneys in the Project Fund to the payment of the costs of repair and restoration as directed by the Sole Bondowner.

(ii) **Alternative B - Prepayment.** The Borrower may direct the Trustee to apply the net proceeds of any insurance proceeds to the prepayment of the Loan by applying such

amount to the mandatory redemption of the Bonds pursuant to **Section 301(a)**. The balance of the net proceeds will be applied to the prepayment of the Note.

(c) Upon a condemnation or casualty event with respect to the Project that is within the scope of subsection (a), moneys received by the Trustee pursuant to Section 3.14 of the Deed of Trust will be deposited in the Project Fund and disbursed in accordance with Disbursement Requested submitted by the Borrower in accordance with Section 507(b)(i) and any proceeds not required to repair or restore the Project (as certified by the Borrower to the Trustee) will be applied pursuant to Alternative B in subsection (b) without any further direction by the Borrower. Any moneys remaining in the Project Fund after redemption of the Bonds, whether pursuant to this subsection or subsection (b), will be deposited in the Bond Fund.

(d) Proceeds of income protection insurance or rental value insurance received by the Trustee pursuant to Section 3.14 of the Deed of Trust will be deposited to the Bond Fund.

Section 508. General Tax Covenants.

(a) The Issuer shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall be excludable from gross income for federal and State income tax purposes, except in the event where such owner of the Bonds is a “substantial user” of the Project or a Related Person thereto.

(b) To the extent within its power and control, the Issuer will not take any action which if taken, or fail to take any action which if not taken, would cause the Bonds to violate any of the restrictions contained in the Code which could affect the exclusion of the interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code.

(c) To the extent within its power and control, the Issuer will not use, or permit to be used, any proceeds of the Bonds or any other moneys of the Issuer, directly or indirectly, to acquire any securities, obligations or other investment property, the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148(a) of the Code.

(d) The Issuer agrees that, to the extent within its power, it will require the Borrower, pursuant to the terms and provisions of the Tax Agreement, not to commit any act or not to make any use of the proceeds of the Bonds, or any other moneys which may be deemed to be proceeds of the Bonds pursuant to the Code, which would cause the Bonds to be “arbitrage bonds” within the meaning of the Code, and to comply with the requirements of the Code throughout the term of the Bonds. The Trustee covenants that should the Issuer file with the Trustee, or should the Trustee receive, an Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become “arbitrage bonds,” then the Trustee will comply with any written instructions of the Issuer or Bond Counsel regarding such investment or use so as to prevent the Bonds from becoming “arbitrage bonds,” and the Trustee will bear no liability to the Borrower or the Bondowner for investments made in accordance with such instructions.

(e) The Trustee will invest funds held under this Indenture in accordance with the terms of this Indenture and the Tax Agreement. The Trustee further covenants and agrees that should

the Issuer, the Borrower or the Sole Bondowner file with the Trustee (it being understood that none of the Issuer, the Borrower or the Sole Bondowner has an obligation to so file), or should the Trustee receive, an Opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become “arbitrage bonds,” then the Trustee will comply with any written instructions of the Sole Bondowner, the Borrower or Bond Counsel regarding such investment or use of proceeds to prevent the Bonds from becoming “arbitrage bonds,” and the Trustee shall bear no liability to the Issuer or the Bondowner for investments made in accordance with such instructions. Notwithstanding the foregoing, the Trustee has no responsibility or liability with respect to the tax status of the Bonds.

ARTICLE VI. DEFAULT PROVISIONS AND REMEDIES

Section 601. Events of Default. Each of the following shall be an “Event of Default” with respect to the Bonds:

- (a) default in the payment of any interest on the Bonds when due;
- (b) default in the payment of the principal on the Bonds, whether at the stated maturity thereof, upon proceedings for redemption thereof, or upon the maturity thereof by acceleration;
- (c) default (other than default under subsections (a) and (b) above) in the performance or observance of any of the covenants, agreements or conditions on the part of the Issuer contained in this Indenture or in the Bonds and the continuation thereof for a period of 30 days following receipt by the Issuer and the Borrower of written notice from the Trustee or the owners of a majority of the Bond Obligation; *provided, however*, that if the default be such that it cannot be corrected within such thirty day period, it shall not constitute an Event of Default if corrective action is instituted by the Borrower (or its limited partner) or the Issuer within such period and diligently pursued (as determined by the Trustee) until the default is corrected; or
- (d) (i) default under the Land Use Restriction Agreement or the Tax Agreement and any applicable period for remedying the default has expired, and (ii) default under a Security Document and any applicable period for remedying the default has expired.

The Trustee will promptly notify the Sole Bondowner in writing upon actual knowledge of the occurrence of any event that would, but for the giving of notice or passage of time, or both, be an Event of Default. For purposes of the preceding sentence, “actual knowledge” means actual knowledge of any officer within the Corporate Trust Department (or any successor group) of the Trustee, including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the person who at the time shall be the officer, respectively, who is responsible for the administration of this Indenture.

Section 602. Acceleration.

- (a) If an Event of Default occurs and is continuing, the Trustee, if so directed by the Sole Bondowner, shall declare, by notice in writing delivered to the Issuer and the Borrower the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and

payable without premium, and such principal and interest shall thereupon become and be immediately due and payable.

(b) Subsection (a) is subject to the condition that if, at any time after the principal of the Bonds has been declared due and payable, and before any judgment or decree for the payment of the money due has been obtained or entered as provided below, the Issuer or the Borrower pays to or deposits with the Trustee a sum sufficient to pay (i) all principal on the Bonds then due (other than principal due as a result of such acceleration) and all installments of interest (if any) on the Bonds, (ii) interest, at the rate borne by the Bonds, on overdue principal and (to the extent legally enforceable) on overdue installments of interest, and (iii) the reasonable and necessary fees and expenses of the Trustee and the Issuer, then the Trustee may, and upon the written request of the owners of a majority of the Bond Obligation will, rescind and annul the declaration and its consequences. No rescission and annulment will extend to or affect any subsequent default, nor will it impair or exhaust any right or power consequent thereon.

Section 603. Remedies.

(a) In addition to the remedy of acceleration as provided in **Section 602**, upon the occurrence of an Event of Default the Trustee, if and to the extent directed by the Sole Bondowner, may proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Bonds and this Indenture by such suits, actions or proceedings as the Sole Bondowner, in its sole discretion, shall deem expedient. shall have the power to proceed with any right or remedy granted by the constitution and laws of the State, as it may deem best, including any suit, action or special proceeding in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any proper legal or equitable remedy as the Trustee shall deem most effectual to protect the rights aforesaid, insofar as such may be authorized by law.

(b) No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondowner is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and, except as expressly limited under this Indenture, shall be in addition to any other remedy given to the Trustee or to the Bondowner under this Indenture or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default under this Indenture, whether by the Trustee or by the Bondowner, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereto.

When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium reorganization or other debtor relief law

Section 604. Rights of Bondowner. If any Event of Default has occurred and if requested so to do by the owners of a majority of the Bond Obligation with respect to which there is an Event of Default, and if indemnified as provided in this Indenture, the Trustee is obligated to exercise

such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, deems most beneficial for the interest of the Bondowner. Subject to the provisions of **Section 610**, the owners of a majority of the Bond Obligation have the right at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings under this Indenture, in accordance with the provisions of law and of this Indenture.

Section 605. Waiver by Issuer. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of the Indenture or any Security Document; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisement and redemption to which it may be entitled under the laws of the State and the United States of America.

Section 606. Application of Moneys.

(a) If an Event of Default has occurred, any moneys received by the Trustee pursuant to this Article, after deducting the reasonable fees, costs, charges and expenses (including court costs and attorneys' fees), advances and liabilities incurred or imposed by the Trustee in connection with the exercise of the remedies under this Article and the creation of a reasonable reserve for anticipated fees, costs and expenses, shall be applied in the following order, at the date or dates fixed by the Trustee and, in the case of the distribution of such money on account of principal, or premium, if any, or interest, upon presentation of Bonds, and notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(i) to the payment of all amounts then due on the Bonds for principal, premium, if any, and interest, in respect of which or for the benefit of which, money has been collected (other than Bonds which have matured or otherwise become payable prior to such event of default and money for the payment of which is held in the Bond Fund), ratably without preference or priority of any kind, according to the amounts due and payable on such Bonds, for principal, premium, if any, and interest respectively; and

(ii) to the payment of all amounts due the Issuer and Ordinary Trustee's Fees and Extraordinary Fees and Expenses.

(b) Notwithstanding anything contained in this Section to the contrary, the Sole Bondowner, by written notice to the Trustee, may direct the application of funds other than in the manner set forth above (except that the priority of payment of Trustee's fees, costs and expenses shall not be altered), including, without limitation, the application of funds between the principal of or interest on the Bonds. Any such determination by the Sole Bondowner shall be deemed conclusive, and the Issuer, the Borrower, the Guarantors and the Trustee shall have no liability for the tax consequences of said determination.

Section 607. Remedies Vested in Trustee and the Sole Bondowner. All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee and the Sole Bondowner without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Subject to the rights of the Sole Bondowner to direct proceedings under this Indenture, any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the benefit as provided herein of the owner of the Outstanding Bonds.

Section 608. Limitation on Rights of Bondowner.

(a) No Bondowner, other than the Sole Bondowner, shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust under this Indenture or for the appointment of a receiver or any other remedy under this Indenture, unless:

(i) a default shall have occurred of which the Trustee has been notified as provided in this Indenture;

(ii) the default has become an Event of Default;

(iii) the Owners of a majority of the Bond Obligation shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;

(iv) Owners have offered to the Trustee indemnity as provided herein; and

(v) the Trustee did, within 60 days thereafter, fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding.

(b) No one or more owners of the Bonds will have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other owners of Bonds or to obtain priority or preference over any other owners or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all owners of Bonds with respect to which there is a default. Nothing contained in this Indenture will, however, affect or impair the right of any Bondowner to enforce the payment of the principal of, the premium, if any, and interest on any Bond as the same becomes due or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued under this Indenture to the respective owners thereof, at the time, in the place, from the sources and in the manner provided in this Indenture and the Bonds.

Section 609. Termination of Proceedings. If the Trustee has proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings has been discontinued or abandoned for any reason, or has been determined adversely, then and in every such case the Issuer, the Borrower, the Trustee and the Bondowner shall be restored to their former positions and rights under this Indenture with respect to the Trust Estate

herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 610. Waivers of Events of Default. The Trustee may, and upon the written request of the Owners of a majority of the Bond Obligation with respect to which there is a default shall, waive any Event of Default under this Indenture and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee and the Issuer, in connection with such default has been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default has been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Borrower and the Bondowner shall be restored to their former positions and rights under this Indenture respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 611. Sole Bondowner Controls Proceedings. If an Event of Default has occurred and is continuing, notwithstanding anything in this Indenture to the contrary, the Sole Bondowner shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings under this Indenture and subject to the provisions of **Section 703** relating to the indemnification of the Trustee; provided, however, that such direction is in accordance with law and the provisions of this Indenture. Nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture, which it may deem proper and which is not inconsistent with such written direction by the Sole Bondowner.

ARTICLE VII. THE TRUSTEE

Section 701. Certain Duties and Responsibilities.

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

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

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this

Indenture; provided, that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not such certifications or opinions conform on their face to the provisions of this Indenture which required such certification or opinion.

(b) In case an Event of Default has occurred (and has not been cured within any applicable grace period) and subject to the rights of the Sole Bondowner with respect to control of remedies following an Event of Default, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

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

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

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

(iii) the Trustee will 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 Owners of a majority of the Bond Obligation relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

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

(e) Whether or not expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or conveying rights and duties or affording protection to the Trustee, whether in its capacities as Trustee, Paying Agent, Bond Registrar or in any other capacity, is subject to the provisions of this Article.

(f) The Trustee shall cooperate fully with the Sole Bondowner in the enforcement and protection of the rights of the Owners of the Bonds to the fullest extent possible under this Indenture, the Loan Documents and applicable law. Toward this end, the Trustee shall (to the extent indemnified to its satisfaction) take such action as directed in writing by the Sole Bondowner, including foreclosure under the Deed of Trust, suit for specific performance of the Loan Documents or for damages for nonperformance thereof and assignment of the Loan Documents to the Owners of the Bonds for purposes of enforcing the rights of the Owners of the Bonds.

(g) The Trustee shall not take any discretionary action under the Loan Documents (although approval or disapproval of disbursement of proceeds of the Bonds and investment earnings thereon shall be made in accordance with the terms of **Article IV**) without the written approval of the Sole Bondowner and subject to the Trustee's receipt of indemnity satisfactory to it, shall take such discretionary action permitted or required under the Loan Documents, as may be directed in writing by the Sole Bondowner.

Section 702. Notice of Default. Promptly, and in any event within five Business Days, after the occurrence of any Event of Default under this Indenture of which the Trustee has actual notice under this Indenture, the Trustee shall transmit by certified mail, to the registered owners of all Bonds then Outstanding, the Issuer and the Borrower, notice of Event of Default under this Indenture known to the Trustee, unless such Event of Default has been cured or waived.

Section 703. Certain Rights of Trustee. Except as otherwise provided in **Section 701**:

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

(b) Any request or order of the Issuer mentioned herein shall be sufficiently evidenced by an order signed by an Authorized Issuer Representative and any resolution of the governing body of the Issuer may be sufficiently evidenced by a certificate of the Secretary of the Issuer.

(c) Any notice, request, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by the General Partner or other officer named in an incumbency certificate of the Borrower delivered to the Trustee (unless other evidence in respect thereof be herein specifically prescribed), and any resolution or certification of the Borrower may be evidenced to the Trustee by a copy thereof certified by the General Partner or other officer named in an incumbency certificate of the Borrower delivered to the Trustee.

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

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

(f) Notwithstanding any provision of this Indenture to the contrary, the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture other than the deposit of moneys received for deposit into the Funds and Accounts under this Indenture and the payment of debt service on the Bonds from moneys in the Bond Fund, whether at the request or direction of any of the Bondowner pursuant to this Indenture or otherwise, unless the Bondowner shall have offered to the Trustee security or indemnity reasonably acceptable to it

against the fees, advances, costs, expenses and liabilities (except as may result from the Trustee's own negligence or willful misconduct) which might be incurred by it in connection with such rights or powers, including, without limitation, in connection with environmental contamination and the cleanup thereof.

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

(h) The Trustee may execute any of the trusts or powers under this Indenture or perform any duties under this Indenture either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it under this Indenture.

(i) The Trustee shall not be required to take notice or be deemed to have notice of any default under this Indenture, except (i) a default under Section 601(a) or (b) and (ii) the occurrence of any default, of which the Trustee has actual knowledge under the documents described in **Section 601(d)** or otherwise, unless the Trustee is notified in writing of the default by the Issuer, the Borrower or the Owners of at least 25% of the Bond Obligation. For purposes of the preceding sentence, "actual knowledge" means actual knowledge of any officer within the Corporate Trust Department (or any successor group) of the Trustee, including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the person who at the time shall be the officer, respectively, who is responsible for the administration of this Indenture.

(j) All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Administrative Office of the Trustee at the address set forth in **Section 1004**.

(k) The Trustee may elect not to proceed in accordance with the directions of the Bondowner without incurring any liability to the Bondowner if in the opinion of the Trustee such direction may result in environmental or other liability to the Trustee, in its individual capacity for which the Trustee has not received indemnity pursuant to this Section from the Bondowner, and the Trustee may rely upon an Opinion of Counsel addressed to the Issuer and the Trustee in determining whether any action directed by Bondowner may result in such liability.

(l) The Trustee may inform the Bondowner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and, in such event no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not received indemnity pursuant to this Section.

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

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

(o) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds, or as to the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Trustee shall not be accountable for the use or application by the Issuer or the Borrower of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Issuer or the Borrower under any provision of this Indenture or the Loan Agreement. The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds.

(p) The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Issuer or the Borrower with the same rights it would have if it were not the Trustee.

(q) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to Bonds, except for any information provided by the Trustee.

(r) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds.

(s) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(t) In no event shall the Trustee be responsible or liable for punitive, special, indirect, or consequential loss or damage of any kind whatsoever irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of actions.

Section 704. Trustee Required; Eligibility There shall at all times be a Trustee under this Indenture which shall be a trust institution or bank with an office in the State and qualified to accept such trust either (i) has at the time of appointment capital and surplus of not less than \$50,000,000, (ii) is owned by a company that has at the time of appointment capital and surplus of not less than \$50,000,000, or (iii) has assets under corporate trust management of not less than \$50,000,000. If such institution publishes reports of conditions at least annually pursuant to law or regulation, then for the purposes of this Section the capital, surplus and undivided profits of such institution shall be deemed to be its capital, surplus and undivided profits as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in **Section 708**. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment under **Section 710** and **Section 711**.

Section 705. Trustee May Hold Bonds. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

Section 706. Fees, Charges and Expenses of Trustee and Rebate Analyst. The Trustee shall be entitled to the Ordinary Trustee's Fees, its expenses and the Extraordinary Fees and Expenses of the Trustee. The Rebate Analyst shall be entitled to receive its fees and expenses. The Issuer shall have no responsibility or liability whatsoever to pay any of the fees and expenses of the Trustee other than from amounts available in the Expense Fund. The Issuer shall have no responsibility or liability whatsoever to pay any of the fees and expenses of the Rebate Analyst. The Borrower has covenanted in the Loan Agreement and the Tax Agreement to make such payments. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a lien with right of payment prior to payment on account of principal of, or premium, if any, or interest on any Bonds for the foregoing advances, fees, costs and expenses incurred.

Section 707. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any conversion, sale, merger, consolidation or transfer to which it is a party will be and become successor Trustee under this Indenture and vested with all the title to the whole property or Trust Estate, including all trusts, powers, options, immunities, privileges and all other matters without the execution or filing of any instruments or any further act, deed or conveyance on the part of the Issuer, the predecessor Trustee or the Borrower.

Section 708. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts created by this Indenture by giving written notice to the Issuer, the Borrower, and by giving notice by certified mail, postage prepaid, to each Bondowner. Notice to the Issuer and to the Borrower may be served personally or sent by registered or certified mail. No resignation will take effect until a successor Trustee has been appointed and has accepted that appointment as provided in **Section 710** and **Section 711**. If no successor Trustee has been appointed and has accepted appointment within 30 days following delivery or publication of all required notices of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 709. Removal of the Trustee. The Trustee may be removed for cause at any time or without cause upon thirty days' written notice by an instrument or concurrent instruments in writing delivered to the Trustee and the Issuer and signed by the Borrower (if the Borrower is not in default under the Loan Agreement), the Issuer (if the Borrower is in default under the Loan Agreement) or the Owners of a majority of the Bond Obligation. Removal shall not be effective until such time as a successor Trustee has been appointed and has accepted such appointment. The Issuer, the Borrower or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Trustee. If no successor Trustee has been appointed and has accepted appointment within 30 days following delivery of the required notices of removal, the removed Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 710. Appointment of Successor Trustee by the Bondowner; Temporary Trustee. If the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under this Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority of the Bond Obligation, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys; provided, nevertheless, that in case of vacancy the Issuer may, at the direction of the Borrower, by an instrument executed and signed by the Authorized Borrower Representative, appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Bondowner in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondowner. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust institution or bank with an office in the State and qualified to accept such trust and either (i) has at the time of appointment capital and surplus of not less than \$50,000,000, (ii) is owned by a company that has at the time of appointment capital and surplus of not less than \$50,000,000, or (iii) has assets under corporate trust management of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 711. Concerning Any Successor Trustee. Every successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment under this Indenture and accepting assignment of the Trustee's right, title and interest in and to the Trust Estate, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor and the duties and obligations of such predecessor hereunder shall thereafter cease and terminate; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor under this Indenture; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee under this Indenture to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor under this Indenture, together with all other instruments provided for in this Article, shall be filed and/or recorded by

the successor Trustee in each recording office where the Indenture has been filed and/or recorded. In the event of a change in the Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee, Paying Agent and Bond Registrar, and the successor Trustee shall become the Trustee, Paying Agent and Bond Registrar.

Section 712. Reporting Obligations. The Trustee will provide to the Sole Bondowner, upon written request of the Sole Bondowner, at the sole expense of the Borrower, copies of the documents delivered to the Trustee by the Borrower in accordance with Sections 9.05 and 9.06 of the Loan Agreement. This obligation is in addition to the Trustee's separate filing and notice obligations under this Indenture, the Loan Agreement and the Security Documents.

ARTICLE VIII. SUPPLEMENTAL INDENTURES

Section 801. Supplemental Indentures Not Requiring Consent of the Bondowner. If at any time there is more than one Owner of the Bonds, subject to **Section 802(c)**, the Issuer and the Trustee may, without the consent of or notice to any Bondowner (other than the Sole Bondowner) with the prior written consent of the Sole Bondowner, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or materially adverse to the interests of the owners of the Bonds for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;
- (c) to grant to or confer upon the Trustee for the benefit of the Bondowner any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowner or the Trustee or any of them;
- (d) at the written request of the Borrower, to qualify the Bonds as book-entry only; and
- (e) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or under any state securities laws.

Section 802. Supplemental Indentures Requiring Consent of the Bondowner.

(a) The Owners of at least a majority of the Bond Obligation shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount or reduction in the rate, or extension of time of payment of interest on, or reduction of any premium

payable on the redemption of any Bond, without the consent of the owner of such Bond; (ii) the creation of any lien prior to, on a parity with, or subordinate to, the lien of this Indenture; (iii) a reduction on the aforesaid Bond Obligation the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Bonds at the time Outstanding that would be affected by the action to be taken; (iv) the modification of the rights, duties or immunities of the Trustee, without the consent of the Trustee.

(b) If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice to be mailed, postage prepaid, to the Sole Bondowner. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by the Sole Bondowner. If, within 60 days or such longer period that is prescribed by the Issuer following the final mailing of such notice, the owners of a majority of the Bond Obligation at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bonds shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith. The Trustee may rely upon a written opinion of counsel addressed and delivered to the Trustee as conclusive evidence that execution and delivery of a supplemental indenture has been affected in compliance with the provisions of this Article.

(c) Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Borrower consents to the execution and delivery of such supplemental indenture.

Section 803. Amendment of Certain Documents. The Trustee shall not make or consent to any amendment, change or modification of the Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement or any Security Document, other than for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said documents, as the Trustee may deem necessary or desirable and not inconsistent with the documents or this Indenture and which shall not adversely affect the interests of the owners of the Bonds, unless the Trustee receives the consent of the Sole Bondowner as provided in **Section 802** for supplemental indentures.

Section 804. Opinion of Bond Counsel Required. Prior to execution and delivery of a supplemental indenture or consent to an amendment, change or modification of the Loan Agreement or any Security Document, the Issuer and the Trustee may request an Opinion of Bond Counsel that any amendment or supplement to which the Issuer is a party has been authorized by the Issuer and upon its execution will constitute a valid and binding obligation of the Issuer in accordance with its terms, the amendment or supplement is in conformance with this Article and

the Act and the amendment or supplement will not cause interest on the Bonds to be includable in gross income for purposes of federal income taxation.

ARTICLE IX. SATISFACTION AND DISCHARGE OF INDENTURE

Section 901. Discharge of Lien.

(a) If the principal, premium, if any, and interest on the Bonds is paid to the Bondowner at the times and in the manner stipulated in this Indenture, all fees and expenses of the Trustee, each Paying Agent and the Issuer have been paid, all arbitrage rebate with respect to such Bonds has been paid and if the Issuer has kept, performed and observed the covenants in the Bonds and in this Indenture, then these presents and the applicable Trust Estate and rights granted by this Indenture will, at the option of the Issuer, cease, determine and be void with respect to such Bonds. The Trustee will then cancel and discharge the lien of this Indenture with respect to such Bonds and execute and deliver to the Issuer any instruments required to release the Trust Estate and will assign and deliver to the Issuer any interest in property included in such Trust Estate at the time subject to the lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of and interest and premium, if any, on the Bonds. Any final balances will be remitted in accordance with **Section 414**.

(b) All Outstanding Bonds will be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section prior to the applicable maturity or redemption date if:

(i) the Issuer has given to the Trustee irrevocable instructions, in form satisfactory to the Trustee, to mail notice of redemption of such Bonds to be redeemed on any date prior to their maturity;

(ii) the Trustee has received moneys or Defeasance Securities which are non-callable, except at the election of the holder, in an amount sufficient, together with the interest thereon, to pay when due the principal or redemption price, if applicable, and interest on such Bonds on and prior to the applicable maturity or redemption date;

(iii) the Issuer and the Trustee have received an Opinion of Bond Counsel that the conditions of this Section have been satisfied and the deposit with the Trustee and consequent defeasance of such Bonds does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;

(iv) the Trustee has received an amount equal to the Ordinary Trustee's Fees due prior to the applicable maturity or redemption date and the fees, costs and expenses payable to the Issuer under the Loan Agreement (as certified by the Issuer); and

(v) if the entire amount necessary to pay Outstanding Bonds under this Section has not been deposited with the Trustee, the Trustee has received a verification report of a firm of independent certified public accountants that the moneys and Defeasance Securities deposited with the Trustee are sufficient to pay when due the principal or redemption price, if any, and interest on such Bonds on or prior to the applicable redemption or maturity date.

ARTICLE X. MISCELLANEOUS

Section 1001. Consents and Other Instruments of Bondowner. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondowner may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowner in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (except for assignment of ownership of a Bond), if made in the following manner, shall be sufficient for any of the purposes of this Indenture except for the assignment of the ownership of any Bond which proof shall be made by signature guaranty, and will be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument acknowledged to him the execution thereof; provided that the execution of the assignment of a Bond shall include the signature of an officer of a bank, trust company or other depository, as required in the form of Bond. Where execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

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

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

(d) In determining whether the owners of the requisite Bond Obligation have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or the Borrower shall be disregarded and deemed not to be Outstanding (unless all Outstanding Bonds are so owned) for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver. Only Bonds that the Trustee knows to be so owned shall be disregarded. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel will be full protection to the Trustee.

Section 1002. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Borrower and the owners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions of this Indenture.

Section 1003. Severability. If any provision of this Indenture shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any

jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions of this Indenture or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof.

Section 1004. Notices All notices, certificates or other communications hereunder shall be in writing (except as otherwise expressly provided herein), shall be deemed to have been properly given when delivered by hand delivery, telegram or facsimile or served by depositing the same with the United States Postal Service, or any official successor thereto, designated as registered or certified mail, return receipt requested, bearing adequate postage, or delivery by reputable private carrier such as Federal Express, Airborne, DHL or similar overnight delivery service, and addressed as hereinafter provided. Notices, except to the Trustee, shall be deemed given when mailed as provided herein. Notices to the Trustee shall be deemed given only when received by the Trustee. All parties listed below may, by written notice given to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Indenture. Any notice, certificate, report, financial statement or other communication properly provided by legal counsel on behalf of any party hereunder shall be deemed properly provided by the party represented by such counsel. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer:	Land Clearance for Redevelopment Authority of Kansas City, Missouri 300 Wyandotte Street, Suite 400 Kansas City, MO 64106 Attention: Executive Director
with a copy to:	Hardwick Law Firm, LLC 2405 Grand, Suite 800 Kansas City, Missouri 64108 Attention: Jean Matzeder
with a copy to:	Rouse Frets White Goss Gentile Rhodes, P.C. 4510 Belleview Avenue, Suite 300 Kansas City, Missouri 64111 Attention: Brian Engel and Kim Spies
To the Trustee at:	UMB Bank, N.A. 928 Grand, 12 th Floor Kansas City, Missouri 64106 Attention: Corporate Trust Department
To the Borrower:	PG/PGN, LP Attention: Brian Collins c/o Dromara Development, LLC

3619 E. 35th Street
Kansas City, Missouri 64128

with a copy to: Rosenblum Goldenhersh
Attention: Tom Duda
7733 Forsyth Boulevard, 4th Floor
St. Louis, Missouri 63105

To the
Sole Bondowner: Legacy Bank & Trust Company
3250 E Sunshine Street
Springfield, MO 65804
Attention: Kylee Brown, SVP, and Cassie Galloway, VP
Affordable

with a copy to: Polsinelli P.C.
Attention: S. Shawn Whitney
201 E. Las Olas Blvd., Ste. 2250B
Fort Lauderdale, FL 33301

Except as otherwise provided in this Indenture, notice to Bondowner will be given by first class mail, postage prepaid, to the addresses then shown on the Bond Register. Each party may change its address by giving written notice of the new address to the other parties.

Section 1005. Trustee as Paying Agent and Bond Registrar. The Trustee is hereby designated and agrees to act as Paying Agent, separate and apart from its duties as Trustee under this Indenture, and as Bond Registrar for and in respect to the Bonds.

Section 1006. Payments Due on Other than a Business Day. In any case where the date of maturity of interest on or principal of the Bonds, or the date fixed for redemption of any Bonds, or the day of any other transfers or payments from funds shall be a day other than a Business Day, then the date for such payment of interest or principal or transfer or payment shall be the next succeeding day which is a Business Day, and payment on such Business Day shall have the same force and effect as if made on the nominal date of payment.

Section 1006. Counterparts This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1007. Laws Governing Indenture and Situs and Administration of Trust. The effect and meanings of this Indenture and the rights of all parties under this Indenture shall be governed by and construed according to the laws of the State.

Section 1008. No Recourse. No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Issuer has not obligated itself except with respect to the Project and the application

of the payments, revenues and receipts derived by the Issuer under the Loan Agreement as hereinabove provided.

No recourse under or upon any obligation, covenant, warranty, or agreement contained in this Indenture or in any Bond, or under any judgment obtained against the Issuer, or the enforcement of any assessment, or any legal or equitable proceedings by virtue of any constitution or statute or otherwise, or under any circumstances under or independent of the Indenture, shall be had against any of the directors, officers or employees of the Issuer, as such, past, present or future of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the owner of any Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such director, officer or employee, as such, by reason of any act of omission on his or her part or otherwise, for the payment for or to the owner of any Bond or otherwise of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them is, by the acceptance thereof, expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

Section 1009. Successors and Assigns. All the covenants and representations contained in this Indenture, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 1010. Subordination to Extended Use Agreement. The Borrower intends that the Project qualify for an allocation of low-income housing tax credits under Section 42 of the Code (“**Tax Credits**”). In order to receive an allocation of Tax Credits, the Borrower will be required to record in the real property records of Jackson County, Missouri, a Declaration of Land Use Restriction Covenants for Low-Income Housing Tax Credits, between the Borrower and the Missouri Housing Development Commission, constituting an “extended low-income housing commitment” (as defined in Code Section 42(h)(6)(B)) (the “**Extended Use Agreement**”). In purchasing the Bonds, the Bondowners hereby authorize and direct **the to shall execute**, at the written request of the Borrower, a subordination agreement (“**Subordination Agreement**”), wherein the lien of the Deed of Trust is subordinated to the Extended Use Agreement in such manner as the Borrower determines is required for tax credit purposes, provided, however, that the Subordination Agreement shall (i) provide that, if the Issuer or its successors or assigns (collectively the “**REO Owner**”) acquires the mortgaged property by foreclosure (or instrument in lieu of foreclosure), then the “extended use period” (as defined in Code Section 42(h)(6)(D)) shall terminate, except for the obligation of the REO Owner to comply with the limitation on evictions, termination of tenancy and increase in rents for the three-year period following, the REO Owner’s acquisition of the Project, as set forth in Code Section 42(h)(6)(E)(ii), and (ii) shall not adversely affect the rights or immunities of the Trustee set forth herein and shall be in a form, and shall contain terms, reasonably acceptable to the Sole Bondowner.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Land Clearance for Redevelopment Authority of Kansas City, Missouri, has caused this Indenture to be signed in its name and behalf and its corporate seal to be hereunto affixed and attested by its duly authorized officers, and to evidence its acceptance of the trusts hereby created, UMB Bank, N.A., as Trustee, has caused this Indenture to be signed in its name and behalf by its duly authorized officer, all as of the date first above written.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Title: Daniel Moye, Executive Director

UMB BANK, N.A., as Trustee

By: _____

Title: _____

**EXHIBIT A
FORMS OF BOND**

**ANY BOND MAY BE SOLD OR TRANSFERRED ONLY TO AN
APPROVED INVESTOR UPON DELIVERY OF AN INVESTOR LETTER
AS PROVIDED IN THE INDENTURE.**

No. R-

**Not to Exceed
\$11,000,000**

UNITED STATES OF AMERICA
STATE OF MISSOURI

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI
MULTIFAMILY HOUSING REVENUE BOND
(PALESTINE GARDENS PROJECT)
SERIES 2022

Interest Rate:

Maturity Date:

Dated Date:

_____%

_____, 202__

____, 2022

REGISTERED OWNER: LEGACY BANK & TRUST COMPANY

MAXIMUM PRINCIPAL AMOUNT: Eleven Million Dollars

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI (the “*Issuer*”), a public body corporate and politic of the State of Missouri, for value received, promises to pay, but solely from the source hereinafter referred to, to the Owner named above, or registered assigns thereof, on the Maturity Date shown above, the principal amount shown above, or such lesser amount as may be outstanding hereunder as reflected on **Schedule I** attached hereto held by the Trustee as provided in the hereinafter referred to Indenture. The Issuer agrees to pay such principal amount to the Owner in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and in like manner to pay to the Owner hereof, either by check or draft mailed to the Owner at a stated address as it appears on the bond registration books of the Issuer kept by the Trustee under the within mentioned Indenture or, in certain situations authorized in the Indenture, by internal bank transfer or by wire transfer to an account in a commercial bank or savings institution located in the continental United States. Interest on the Cumulative Outstanding Principal Amount (as hereinafter defined) at the per annum Interest Rate stated above, is payable in arrears on the first day of each month commencing on _____ 1, 2022, and continuing thereafter until the said Cumulative Outstanding Principal Amount is paid in full. Interest on each advancement of the principal amount of this Bond shall accrue from the date that such advancement is made, computed on the basis of a 365-day year for the number of days actually elapsed.

As used herein, the term “Cumulative Outstanding Principal Amount” means as of any particular time, the aggregate principal amount of advances of portions of the purchase price of the Bonds which has then come due under the Bond Purchase Agreement and has been paid to the Trustee, less the aggregate principal amount of Bonds which have been redeemed as of that time, all as set forth in the Indenture, and as reflected on **Schedule I** hereto maintained by the Trustee.

The Bonds are issuable in the form of one bond without coupons in the maximum principal amount of \$11,000,000.

Except as otherwise provided in the Indenture, this Bond will bear interest from the Interest Payment Date next preceding the date of registration of this Bond (unless this Bond is registered after the fifteenth day of the preceding month of any Interest Payment Date or on any Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is registered on or before the fifteenth day of the month preceding the first Interest Payment Date, in which event it shall bear interest from the Dated Date above).

The principal of and any premium on this Bond are payable upon presentation and surrender hereof at the payment office of UMB Bank, N.A. (the “**Trustee**”), its successors and assigns. The principal of and interest and any premium on this Bond are payable by check or draft in lawful money of the United States of America, without deduction for the services of the paying agent.

Notwithstanding the foregoing, the principal of, redemption price of, and the interest on the Bonds is payable by electronic transfer in immediately available federal funds pursuant to instructions given by any Owner of the lesser of \$1,000,000 or the aggregate principal amount of the Bonds then Outstanding pursuant to the Indenture.

This Bond is one of a duly authorized issue of bonds of the Issuer known as its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022, issued in the maximum aggregate principal amount of \$11,000,000 (the “**Bonds**”), pursuant to the provisions, restrictions and limitations of the Constitution and statutes of the State of Missouri, particularly Sections 99.300 – 99.660, Revised Statutes of Missouri, as amended and supplemented, and pursuant to a resolution of the Issuer. The Bonds are issued under the Trust Indenture dated as of November 1, 2022, between the Issuer and the Trustee (the “**Indenture**”), to which Indenture and all supplemental indentures (copies of which are on file at the office of the Trustee) reference is hereby made for a description of the trust estate for the Bonds under the Indenture (the “**Trust Estate**”), the nature and extent of the security, the terms and conditions upon which the Bonds are issued and secured, and the rights of the registered owners thereof. Terms not otherwise defined in this Bond shall have the respective meanings as set forth in the Indenture.

The Bonds and the interest thereon are limited obligations of the Issuer payable solely out of the revenues and other moneys pledged thereto and held by the Trustee as provided in the Indenture. The Bonds are equally and ratably secured by a transfer, pledge and assignment of and a grant of a security interest in the respective Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture.

The Bonds and the interest thereon are limited obligations of the Issuer payable solely out of the revenues and other moneys pledged thereto and held by the Trustee as provided in the Indenture. The Bonds are equally and ratably secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in the Indenture. **THIS BOND SHALL NOT BE A DEBT OF THE CITY OF KANSAS CITY, MISSOURI (THE “CITY”), THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE FOR THE PAYMENT OF THIS BOND. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION OR RESTRICTION AND ARE NOT PAYABLE IN ANY MANNER BY TAXATION. THE ISSUER HAS NO TAXING POWER.**

The Issuer has loaned the proceeds of the Bonds (the “*Loan*”) to PG/PGN ,LPC, a Missouri limited partnership (the “*Borrower*”), pursuant to a Loan Agreement dated as of November 1, 2022 (the “*Loan Agreement*”), by and between the Issuer and the Borrower. The Bonds are issued for the purpose of providing funds to the Borrower to finance a portion of the costs of the acquisition, construction, rehabilitation, improvement and equipping of a total of a 118-units in two buildings known as the Palestine Gardens North Apartments located at 3220 Montgall and the Palestine Gardens Apartments located at 2627 E. 33rd Street to preserve existing units for very low-income residents aged 62 and over and other related improvements in the City of Kansas City, Missouri (the “*Project*”) and to pay certain costs of issuing the Bonds. The Project is located within the 33rd & Montgall Urban Renewal Area. The Borrower’s obligation to repay the Loan is a nonrecourse obligation of the Borrower.

REDEMPTION PROVISIONS

Mandatory and Extraordinary Redemption

Redemption Upon Casualty or Condemnation. The Bonds are subject to mandatory redemption in whole or in part, if the net proceeds of any casualty insurance or condemnation award are applied to the prepayment of the Loan as provided in the Indenture, in an amount (rounded to the nearest Authorized Denomination) equal to the amount of such prepayment of the Loan, on the earliest practicable date for which notice can be given pursuant to the Indenture, at a redemption price equal to 100% of the principal amount redeemed, without premium, plus accrued interest thereon to the date fixed for redemption.

Optional and Extraordinary Redemption. The Bonds are subject to redemption at the written direction of the Borrower, in whole or in part on any date, at a redemption price equal to 100% of the principal amount redeemed, plus the Redemption Premium, if any, plus accrued interest thereon to the date fixed for redemption.

Mandatory Redemption on Conversion Date. The Bonds are subject to mandatory redemption in part, at a redemption price equal to 100% of the principal amount redeemed, without premium, plus accrued interest thereon to the date fixed for redemption, on the earliest practicable date after the Conversion Date for which notice can be given pursuant to **Section 303**, to the extent that the Cumulative Outstanding Balance exceeds \$ _____ on the Conversion

Date and in the amount equal to the portion of the Cumulative Outstanding Balance in excess of \$ _____.

Mandatory Redemption Upon Determination of Taxability. The Bonds are subject to mandatory redemption in whole at a redemption price equal to 100% of the principal amount redeemed, without premium, plus accrued interest to the date fixed for redemption, on the earliest practicable date for which notice can be given pursuant to **Section 303**, if a Determination of Taxability occurs.

Mandatory Sinking Fund Redemption After Conversion Date. After the Conversion Date, the Cumulative Outstanding Balance of the Bonds shall be subject to mandatory sinking fund redemption without premium, on the dates and in the principal amounts, plus accrued interest as set forth in Exhibit E attached to this Indenture. To the extent the Bonds have been previously called for redemption or purchased and retired otherwise than pursuant to the respective installments of Section 301(c) or Section 301(e), the mandatory sinking fund schedule set forth on Exhibit E shall be revised to provide for level debt service on the remaining outstanding principal amount of the Bonds over the remaining terms of the Bonds starting on the first Interest Payment Date following the Conversion Date. The Sole Bondowner shall provide the Trustee with a new Exhibit E reflecting the revised mandatory sinking fund schedule. Absent manifest error, the revised Exhibit E shall be conclusive and binding on the Issuer, the Trustee, the Borrower and the Sole Bondowner.

Selection of Bonds for Redemption. If the Bonds are to be redeemed in part other than pursuant to the mandatory sinking fund redemption provisions above, the Trustee will select the maturities and the principal amounts of the Bonds to be redeemed on a proportionate basis as provided in the Indenture. The Trustee will select the Bonds, or portions thereof, to be redeemed from each maturity (including upon mandatory sinking fund redemption), in such manner as it shall in its discretion determine. No Bond will be selected for redemption if, upon redemption, the remaining principal amount of the Bond would not be an Authorized Denomination.

Notice of Redemption. Except for the redemption of the Bonds in accordance with Section 301 (c) and (d) for which no notice is required, notice of the intended redemption of Bonds shall be given by first class mail, to the registered owner of each Bond to be redeemed, at the address of such owner shown on the Bond Register. Notice by publication shall not be required. All such redemption notices shall be given not less than five days prior to the date fixed for redemption. Each notice with respect to a partial redemption of Bonds shall specify the numbers of the Bonds being called, the redemption date, and the place or places where amounts due upon such redemption will be payable. Such notice shall further state that payment of the applicable redemption price plus accrued interest (if not previously paid) to the date fixed for redemption will be made upon presentation and surrender of the Bonds. Failure to give notice by mailing to the registered owners of any Bonds designated for redemption or any defect in such notice shall not affect the validity of the proceedings for the redemption of such Bonds.

Notice of redemption having been given in the manner provided above, and money sufficient for the redemption being held by the Trustee for that purpose, thereupon the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue; and the owners of the Bonds so called for redemption shall thereafter no

longer have any security or benefit under the Indenture except to receive payment of the redemption price for such Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

No single Beneficial Owner of Bonds is authorized to own a Bond in an amount less than an Authorized Denomination.

This Bond is transferable by the registered owner (as shown on the Bond Register) in person or by attorney duly authorized in writing at the payment office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, maturity and interest rate and of Authorized Denominations or Denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

BONDS MAY ONLY BE PURCHASED BY OR TRANSFERRED TO APPROVED INVESTORS, AS DEFINED IN THE INDENTURE, UPON DELIVERY OF AN INVESTOR LETTER.

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

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 or any in excess thereof, but not in excess of the aggregate principal amount of the Bonds then Outstanding. Subject to the limitations and upon payment of the charges provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations.

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

No provision, covenant or agreement contained in this Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit. In making the agreements, provisions and covenants set forth in this Indenture, the Issuer has not obligated itself except with respect to the Project and the application of the payments, revenues and receipts derived by the Issuer under the Loan Agreement as hereinabove provided. Neither the governing body of the Issuer nor any person executing the Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

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

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until such Bond has been authenticated by the certificate of the Trustee endorsed hereon.

IN WITNESS WHEREOF, the Land Clearance for Redevelopment Authority of Kansas City, Missouri has caused this Bond to be executed in its name by the manual or facsimile signature of its Executive Director, President or Vice President and attested by the manual or facsimile signature of its Secretary or Assistant Secretary and its corporate seal to be affixed hereto or imprinted hereon, and has caused this Bond to be dated as of the Dated Date shown above.

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

(SEAL)
Attest:

By _____
Title: _____

Title: _____

Certificate of Authentication and Registration

Date of Registration and Authentication: _____

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

UMB BANK, N.A., as Trustee

By: _____
Authorized Signatory

=====

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept by the Trustee for the registration thereof, with full power of substitution in the premises.

Dated _____

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

Signature Guaranteed By:

NOTICE: Signature(s) must be guaranteed by an eligible Guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

By _____
Title _____

=====

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

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

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

SCHEDULE I

**TABLE OF CUMULATIVE OUTSTANDING PRINCIPAL AMOUNT
THE LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY
OF KANSAS CITY, MISSOURI
MULTIFAMILY HOUSING REVENUE BOND
(PALESTINE GARDENS PROJECT)
SERIES 2022**

Bond No. 1

Date	Principal Amount Advanced	Principal Amount Redeemed	Cumulative Outstanding Principal Amount	Notation Made By

**EXHIBIT B
TO TRUST INDENTURE**

Request No: _____

Date: _____

DISBURSEMENT REQUEST

(§ 407 – COSTS OF ISSUANCE FUND)

To: UMB BANK, N.A., as Trustee

Attention: Corporate Trust Department

**Re: \$11,000,000 Multifamily Housing Revenue Bonds (Palestine Gardens Project)
Series 2022**

You are hereby requested and directed as Trustee under the Trust Indenture dated as of November 1, 2022 (the “***Indenture***”), between The Land Clearance for Redevelopment Authority of the City of Kansas City, Missouri and you, as Trustee, to pay from moneys in the Costs of Issuance Fund, pursuant to **Section 407** of the Indenture, to the following payees the following amounts in payment or reimbursement for the following Costs of Issuance (as defined in the Indenture):

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of Issuance</u>
--------------	---------------	---

With respect to this disbursement, the undersigned (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, and (ii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

The undersigned Authorized Borrower Representative hereby states and certifies that each item listed above is a proper Costs of Issuance (as defined in the Indenture) that was incurred in connection with the issuance of the above-referenced Bonds, and the amount of this request is justly due and owing and has not been the subject of another Disbursement Request which was paid.

PG/PGN, LP, a Missouri limited partnership

By: PG/PGN OWNER, LLC, a Missouri limited liability company, general partner

By: PG/PGN Managing Member, LLC, a Missouri limited liability company, its managing member

By: Palestine Village Community Development Corporation, a Missouri nonprofit corporation, its manager

By: _____
Melvin A. Gross, President

APPROVED:

By: _____
Sole Bondowner

**EXHIBIT C
TO TRUST INDENTURE**

Request No: _____

Date: _____

DISBURSEMENT REQUEST
(§ 403 – PROJECT FUND)
(§ 403(f) CASUALTY/CONDEMNATION ACCOUNT)

Form of Draw Request

REQUEST FOR PAYMENT

REQUEST NO. _____

Borrower: PG/PGN, LP, a Missouri limited partnership

Improvements: Kansas City, Missouri

Re: Land Clearance for Redevelopment Authority of Kansas City, Missouri Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022

This Request for Payment is being delivered pursuant to the Indenture and the Continuing Covenants Agreement, dated as of [November __] __, 2022], (“CCA”), between Borrower and Legacy Bank & Trust Company (the “**Bondholder**”). Borrower hereby requests that Bondholder (i) consent to advance \$_____ held in the loan account and/or Borrower Equity; and (ii) be authorized _____ to fund and deposit the disbursement amount into Borrower's checking account no. _____.

This Request for Payment is requested to pay for various expenses incurred in connection with the above Improvements, as summarized on the Draw Summary below and detailed in the invoices submitted herewith. Borrower hereby certifies that the amounts shown below and the accompanying invoices represent costs of designing, developing, rehabilitating and leasing the Improvements which are eligible for reimbursement at this time in accordance with the provisions of the CCA.

2. Borrower acknowledges that any increased costs of construction/rehabilitation arising out of change orders, or otherwise, which are not included or provided for in the Total Costs Breakdown as set forth in the CCA, cannot be invoiced on this Request for Payment unless and until such change orders and/or increase in costs have been approved in writing by the Bondholder in accordance with the CCA.

3. Borrower hereby requests the following budget reallocations to Schedule 3 of the CCA:

Transfer from: (Line Item)	Amount of Transfer: (from)	Transfer to: (Line Item)	Amount of Transfer: (to)
Total Transfer from:	\$	Total Transfer to:	\$

Reason for Transfer:

- 1.
- 2.
- 3.
- 4.

4. Below is the Draw Summary for the current Request for Payment with backup attached:

Line Item	Vendor	Invoice Amount	Amount Requested	Funding Source
		\$	\$	
		\$	\$	
	1. 2. Total Line Item:	\$ \$ \$	\$ \$ \$	\$ \$ \$
	1. 2. Total Line Item:	\$ \$ \$	\$ \$ \$	\$ \$ \$
	1. 2. Total Line Item:	\$ \$ \$	\$ \$ \$	\$ \$ \$
	Grand Total:	\$	\$	\$
			Sources of Funding: 1. 2. 3. 4. 5. Total Sources:	 \$ \$ \$ \$ \$ \$

5. The following are attached hereto and form a part hereof: Contractor's APPLICATION AND CERTIFICATE FOR PAYMENT (AIA Document G702), Conditional and Unconditional Lien Waivers and copies of Soft Cost invoices.

Date: _____

Borrower:

APPROVED BY:

LEGACY BANK & TRUST COMPANY

By: _____

Name: _____

Title: _____

You are hereby requested to disburse from the Project Fund the amounts shown on Schedules A and B and to make payment to the Persons entitled to receipt thereof as shown on said schedules.

Dated: _____ PG/PGN, LP,

APPROVED:

By: _____
Sole Bondowner

SCHEDULE A

Items of Project Costs to be Reimbursed to the Borrower

<u>Amount</u>	<u>Payee</u>	<u>Description of Expense</u>
---------------	--------------	-----------------------------------

SCHEDULE C

Disbursement Request Definitions

“Construction Contract” means the construction contract between the Borrower and the Contractor attached as Exhibit A to _____, dated as of _____ 1, 2022, and any amendment, supplement, replacement or other modification with any Person providing for construction, equipping or installation of any part of the Project.

“Contractor” means the General Contractor and any other Person with whom the Borrower or the General Contractor enters into a Construction Contract.

“General Contractor” means _____, a Missouri corporation, and its successors and assigns.

“Official Action Date” means the date that is 60 days prior to December 28, 2021, the date the Issuer passed its resolution expressing its intention to issue the Bonds.

“Project” means the work, material, equipment, and services described in the Construction Contract.

“Project Costs” means the cost of any items of work, material, equipment, and/or services comprising the “Total Project Costs” identified in the Sworn Construction Cost Statement.

“Sworn Construction Cost Statement” means a statement substantially in the form attached as Exhibit D to the Loan Agreement duly completed and signed on behalf of the Borrower and the General Contractor.

EXHIBIT D-1

FORM OF INVESTOR'S LETTER

Land Clearance for Redevelopment Authority of
Kansas City, Missouri
300 Wyandotte Street, Suite 400
Kansas City, Missouri 64106
Attention: Executive Director

To: UMB BANK, as Trustee
928 Grand Blvd, Suite, 12th Floor
Kansas City, MO 64105
Attention: Corporate Trust Department

**RE: Land Clearance for Redevelopment Authority of Kansas City, Missouri
Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022**

Ladies and Gentlemen:

The undersigned authorized signatory for Legacy Bank (the “**Purchaser**”), the purchaser of \$11,000,000 aggregate principal amount of Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 (the “**Bonds**”), does hereby certify, represent and warrant for the benefit of The Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “**Issuer**”) and UMB Bank, N.A., as trustee (the “**Trustee**”), that the Purchaser is either a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (a “**QIB**”) or an “accredited investor” (as defined in Rule 501(a)(1), (2), (3), (4), (7) or (8) of Regulation D promulgated under the Securities Act of 1933) (an “**Accredited Investor**”).

The Purchaser hereby acknowledges, represents, and warrants to, and agrees with, the Issuer and the Trustee, as follows:

(1) The Purchaser is purchasing the Bonds with its own funds (or with funds from accounts over which it has sole investment authority) and not the funds of any other person, and for its own account (or for accounts over which it has sole investment authority) and not as nominee or agent for the account of any other person and not with a view to any distribution thereof, other than the deposit or sale of the Bonds in or to a custodial or trust arrangement each of the beneficial owners of which shall be required to be a QIB or an Accredited Investor.

(2) The Purchaser has such knowledge and experience in business and financial matters, including (i) the evaluation of residential real estate developments such as the Project, (ii) the evaluation of the capabilities of persons such as PG/PGN, LP, a Missouri limited partnership (the “**Borrower**”), and the Project manager to operate and maintain the

Project, and (iii) the analysis, purchase and ownership of Multifamily Housing revenue bonds, tax-exempt securities and other investment vehicles similar in character to the Bonds, so as to enable it to understand and evaluate the risks of such investments and form an investment decision with respect thereto, the Purchaser has no need for liquidity in such investment and the Purchaser is (or any account for which it is purchasing is) able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

(3) The Purchaser acknowledges that it has been provided with, and has had the opportunity to review, the Loan Agreement dated as of November 1, 2022 (the “**Loan Agreement**”), between the Issuer and the Borrower, the Trust Indenture dated as of November 1, 2022 (the “**Indenture**”), between the Issuer and the Trustee, and all other documents relating to the issuance of the Bonds in the original aggregate principal amount of \$11,000,000. The Purchaser has conducted its own investigation of the Project, the Borrower, its managing member, the Project manager(s), the Bonds, the Indenture, the Loan Agreement and related documents and the transactions relating thereto, to the extent it deemed necessary. The Purchaser has been offered an opportunity to have made available to it any and all such information it might request from the Issuer, the Borrower, its general partners and the Project manager(s). On this basis, it is agreed by the Purchaser that the Purchaser is not relying on the Issuer or any other party or person to undertake the furnishing or verification of information related to the referenced transaction.

(4) In connection with the purchase of the Bonds, the Purchaser has been advised that (i) the Issuer has not undertaken steps to ascertain the accuracy, completeness or truth of any statements made or omitted to be made to the undersigned concerning any of the facts relating to the business, operations, financial condition, or future prospects of the Borrower, its general partners and the Project manager(s), and (ii) the Issuer has not made any representations concerning the accuracy or completeness of any information supplied to the undersigned by the Borrower, its managing member, and the Project manager.

(5) THE PURCHASER UNDERSTANDS THAT:

(i) THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES, RECEIPTS AND OTHER MONEYS PLEDGED THEREFOR UNDER THIS INDENTURE. THE BONDS ARE NOT A DEBT OF THE CITY OF KANSAS CITY, MISSOURI, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OR LAWS OF THE STATE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION OR RESTRICTION AND ARE NOT PAYABLE IN ANY MANNER BY TAXATION.

(ii) THE ISSUER HAS NO TAXING POWER AND PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE PAYABLE SOLELY OUT OF THE MONEYS TO BE RECEIVED BY THE TRUSTEE ON BEHALF OF THE ISSUER UNDER THE LOAN AGREEMENT AND

AMOUNTS ON DEPOSIT IN THE FUNDS ESTABLISHED AND PLEDGED
UNDER THE INDENTURE.

(6) The Purchaser understands that in connection with any proposed transfer or exchange of Bonds, there must be delivered to the Trustee a letter of the transferee to substantially the same effect as this letter or otherwise as permitted under the Indenture.

(7) The Purchaser understands that, in connection with any proposed transfer of the Bonds, such transfer must be limited to an Eligible Purchaser. “**Eligible Purchaser**” means a prospective transferee that the Purchaser has clear grounds to believe and does believe can make representations with respect to itself to substantially the same effect as the representations set forth herein, or if the transferee is the custodian or trustee for a custodial or trust arrangement contemplated by paragraph (1), the representations in the letter attached as Exhibit D-2 to the Indenture.

(8) The Purchaser also understands that it shall indemnify the Issuer and the Trustee as set forth in the Indenture which states: “ANY BONDHOLDER DESIRING TO EFFECT SUCH TRANSFER SHALL AGREE TO INDEMNIFY THE ISSUER AND THE TRUSTEE FROM AND AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS’ FEES) THAT MAY RESULT IF THE REPRESENTATIONS OF SUCH BONDHOLDER CONTAINED IN THE INVESTOR’S LETTER ARE FALSE IN ANY MATERIAL RESPECT.”

This letter and the representations and agreements contained herein are made for your benefit.

IN WITNESS WHEREOF, I have hereunto set my hand the ____ day of _____, 2022.

LEGACY BANK & TRUST COMPANY

Name: _____
Title: _____

MUST BE SIGNED BY ACTUAL PURCHASER.
MAY NOT BE SIGNED BY NOMINEE OR
AGENT.

EXHIBIT D-2

FORM OF INVESTOR'S LETTER

Land Clearance for Redevelopment Authority of
Kansas City, Missouri
300 Wyandotte Street, Suite 400
Kansas City, Missouri 64105
Attention: Executive Director

To: UMB BANK, N.A., as Trustee
928 Grand, 12th Floor
Kansas City, MO 64106
Attention: Corporate Trust Department

**RE: Land Clearance for Redevelopment Authority of Kansas City, Missouri
Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022**

Ladies and Gentlemen:

The undersigned representative of _____ (the “**Transferee**”), as [custodian][trustee] under the [identify custodial or trust arrangement] (the “**Agreement**”) pursuant to which the \$ _____ of the aggregate principal amount of Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 (the “**Bonds**”) have been deposited with the Transferee by the [depositor][trustor] thereunder (the “**Transferor**”), does hereby certify, represent and warrant for the benefit of the Land Clearance for Redevelopment Authority of Kansas City, Missouri (the “**Issuer**”) and UMB Bank, N.A., as trustee (the “**Trustee**”), that each beneficial owner under the Agreement is required to be either a “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (a “**QIB**”), or an “accredited investor” (as defined in Rule 501(a)(1), (2), (3), (4), (7) or (8) of Regulation D promulgated under the Securities Act of 1933) (an “Accredited Investor”).

The Transferee hereby acknowledges, represents, and warrants to, and agrees with, the Issuer and the Trustee, as follows:

(1) The Transferee is acquiring the Bonds solely as [custodian] trustee under the Agreement.

(2) The Transferor has represented to the Transferee that, unless the custodial certificates payments are guaranteed by an entity whose unsecured long-term obligations are rated “A” or better (or its equivalent) by Moody’s or S&P, beneficial owners of the Bonds will have such knowledge and experience in business and financial matters, including (i) the evaluation of residential real estate developments such as the Project, (ii) the evaluation of the capabilities of persons such as PG/PGN, LP, a Missouri limited partnership (the “**Borrower**”) and the Project manager(s) to operate and maintain the Project, and (iii) the analysis, purchase and ownership of multifamily housing revenue

bonds, tax-exempt securities and other investment vehicles similar in character to the Bonds so as to enable them to understand and evaluate the risks of such investments and form an investment decision with respect thereto and they will be able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

(3) The Transferee understands that the Transferor has been provided with, and has had the opportunity to review, the Loan Agreement dated as of November 1, 2022 (the “**Loan Agreement**”), between the Issuer and the Borrower, the Trust Indenture dated as of November 1, 2022 (the “**Indenture**”), between the Issuer and the Trustee, and all other documents relating to the issuance of the Bonds in the original aggregate principal amount of \$11,000,000. The Transferee has either been supplied with or has had access to information, including financial statements, and other financial information and has had the opportunity to ask questions and receive answers from individuals concerning the Project, the Borrower, its managing member, the Project manager, the Bonds, the Indenture, the Loan Agreement and related documents and the transactions relating thereto so that which it considers necessary to make or informed decisions to act as custodian/trustee for the Bonds. On this basis, it is agreed by the Transferee that the Transferee is not relying on the Issuer or any other party or person to undertake the furnishing or verification of information related to the referenced transaction.

(4) In connection with the purchase of the Bonds, the Transferee has been advised that (i) the Issuer has not undertaken steps to ascertain the accuracy, completeness or truth of any statements made or omitted to be made to the undersigned concerning any of the facts relating to the business, operations, financial condition, or future prospects of the Borrower, its managing member, and the Project manager(s), and (ii) the Issuer has not made any representations concerning the accuracy or completeness of any information supplied to the undersigned by the Borrower, its managing member, and the Project manager(s).

(5) THE TRANSFEE UNDERSTANDS THAT:

(i) THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES, RECEIPTS AND OTHER MONEYS PLEDGED THEREFOR UNDER THIS INDENTURE. THE BONDS ARE NOT A DEBT OF THE CITY OF KANSAS CITY, MISSOURI, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OF THE CONSTITUTION OR LAWS OF THE STATE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER DEBT LIMITATION OR RESTRICTION AND ARE NOT PAYABLE IN ANY MANNER BY TAXATION.

(ii) THE ISSUER HAS NO TAXING POWER AND PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE PAYABLE SOLELY OUT OF THE MONEYS TO BE RECEIVED BY THE TRUSTEE ON BEHALF OF THE ISSUER UNDER THE LOAN AGREEMENT AND

AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS ESTABLISHED
AND PLEDGED UNDER THE INDENTURE.

(6) The Transferee understands that in connection with any proposed transfer or exchange of Bonds, there must be delivered to the Trustee a letter of the Transferee substantially in the form of **Exhibit D-1** or **Exhibit D-2** to the Indenture.

(7) The Transferee understands that, in connection with any proposed transfer of the Bonds, such transfer must be limited to an Eligible Purchaser. “**Eligible Purchaser**” means a prospective transferee that the Transferor has clear grounds to believe and does believe can make representations with respect to itself to substantially the same effect as the representations set forth herein, or as set forth in the letter attached as **Exhibit D-1** to the Indenture.

(8) THE TRANSFEROR HAS REPRESENTED TO THE TRANSFEE THAT THE TRANSFEROR ALSO UNDERSTANDS THAT THE TRANSFEROR SHALL INDEMNIFY THE ISSUER AND THE TRUSTEE AS SET FORTH IN THE INDENTURE WHICH STATES: “ANY BONDHOLDER DESIRING TO EFFECT SUCH TRANSFER SHALL AGREE TO INDEMNIFY THE ISSUER AND THE TRUSTEE, FROM AND AGAINST ANY AND ALL LIABILITY, COST OR EXPENSE (INCLUDING ATTORNEYS’ FEES) THAT MAY RESULT IF THE REPRESENTATIONS OF SUCH BONDHOLDER CONTAINED IN THE INVESTOR’S LETTER ARE FALSE IN ANY MATERIAL RESPECT.”

This letter and the representations and agreements contained herein are made for your benefit.

IN WITNESS WHEREOF, I have hereunto set my hand the _____ day of _____, 20____.

[TRANSFEREE]

Name: _____

Title: _____

MUST BE SIGNED BY ACTUAL
TRANSFEREE. MAY NOT BE SIGNED BY
NOMINEE OR AGENT

EXHIBIT E

Sinking Fund Redemption Schedule

Redemption Date <u>July 1</u>	Principal <u>Amount</u>
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	